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# EAST INDIA (TARIFF VALUATIONS).

## ABSTRACT

OF

RETURN to an Address of the Honourable The House of Commons, dated 18 March 1867;—*for*,

COPY "of the SUPPLEMENT to the GAZETTE OF INDIA, dated Calcutta, 19th January 1867, containing the REPORT of the COMMITTEE for the Revision of TARIFF VALUATIONS."

India Office, 19 March 1867.

FRAS. W. PRIDEAUX,
Secretary, Revenue Department.

## GOVERNMENT OF INDIA.—FINANCIAL DEPARTMENT.

## REPORT of the Committee appointed for the Revision of TARIFF VALUATIONS.

From *T. B. Lane*, Esq., to the Secretary to the Government of *India*, Financial Department (No. 46); dated 7th January 1867.

I HAVE the honour to submit herewith the Report of the Committee appointed for the revision of the Customs Tariff under the orders of the Government of India, No. 1556, dated the 29th March 1866.

The Committee assembled on the 15th of October 1866, and in accordance with the instructions issued for their guidance by the Governor General in Council, have directed their attention to the three points therein indicated—

1st. The adjustment of a set of valuations applicable to India generally;
2nd. A new classification and consolidation of the enumerated articles; and
3rd. The removal to the Free List of petty articles which neither yield, nor are likely to yield, any appreciable revenue.

2. The Committee have prepared, and have now the honour to submit, a Table of Valuations applicable to all ports in India.—(Appendices A., B.)

3. For a few articles the values now assigned differ, to some extent, from the market rates prevailing in one or other of the three Presidencies; but as noticed by the former Committee in 1860; this difference has been traced, as a rule, to the fact that the trade in such articles has been large at the one port, and small at the other, the market rates of course varying accordingly. When any article, however, has been found in considerable quantities in more than one Presidency, with a wide difference in market rates, the Committee have considered it best to exclude it altogether from the Table of fixed valuations, and to place it in a separate *ad valorem* list hereto appended.—(Appendices C., E.)

4. The values assigned to the important articles "Cotton Piece Goods" and "Twists" have received the special attention of the Committee. They concur with the Chambers of Commerce at Calcutta, Bombay, and Madras, in considering that as, at present, the markets for cotton goods are in a very unsettled

state, it is an inopportune time for fixing Tariff values. Following the current rates, which are still very low, the values now assigned have been considerably reduced from the former Tariff rates, and sufficient relief will thus be afforded to meet the immediate exigencies of the case. The Committee further desire specially to recommend that these values should be subjected exceptionally to revision, as soon as the result of the American Cotton Crop for 1867 shall become known. A further and very marked change in the position of these important articles of trade will probably then occur, and the present state of the cotton market cannot therefore be taken as a guide in fixing the valuations, which will ordinarily be followed until another general revision of the Tariff.

5. The Committee also concur with the opinions specially expressed by the Chambers of Commerce at the three Presidencies, that the values hitherto fixed for copper, brass, and yellow metal, have been too high, and they have accordingly made a suitable reduction, which, by relieving this branch of trade, will probably lead to an increased consumption.

6. In regard to the 2nd point, the Tariff now proposed has been drawn up in a tabular form differing from that adopted in 1860, and affords in its alphabetical arrangement the means of ready and convenient reference; such articles as oils, seeds, metals, &c., being at the same time formed into distinct and complete groups. English names and English weights and measures have been introduced to the fullest possible extent. The entries in the column headed "Class" correspond with the general classification Table of enumerated articles, to which the attention of the Committee has also been requested by Government.

7. It has not been found necessary on this point to make any material alterations in the classification lately prepared by the Calcutta Collector of Customs, though the addition, in alphabetical order, of many articles not hitherto enumerated, has been found necessary. A copy of the List, as amended, is submitted with this Report.—(Appendix G.)

8. In regard to the 3rd, and last point which the Committee were desired to consider, viz., "the removal to the Free List of petty articles (not luxuries), which neither yield, nor are likely to yield, any appreciable revenue," a list is appended of a considerable number of petty articles which are recommended for transfer to the Free List.* The revenue from each of these has amounted in many cases to scarcely 100 rupees, and in no case to more than 1,000 rupees on the average of the last five years.—(Appendices D., F.)

* IMPORTS.
24 From Tariff list.
15 From *ad valorem* list, besides all other unenumerated articles.

EXPORTS.
9 From Tariff list.
From *ad valorem* list, besides all other unenumerated articles.
127

9. In addition to these petty articles, iron anchors, cables, and kentledge have been removed to the Free List by the Committee, who consider that, although producing each more than 1,000 rupees per annum, these are articles so absolutely necessary for the navigation of a ship that they should be exempt from taxation. "Lead, thin sheets for tea canisters," have also been added to the Free List, as they are imported solely for use in the Indian Tea Trade.

10. The principle upon which all former Customs duties have been framed has been to declare a few staple and special articles of trade free, and then to enact that all other articles shall be dutiable. This of course renders every conceivable petty article (not specially exempt) liable to examination and duty, and is the very reverse of the principle adopted in England, where articles liable to duty are specified, and all others are declared to be free.

11. As a right step in this direction, the Committee recommend that all articles, which are neither mentioned in the Tariff, nor in the "*ad valorem* list of dutiable articles," should be free. This measure, while it would not sacrifice any large amount of revenue, would add greatly to public convenience, would remove restrictions, and give encouragement to several branches of trade, and at the same time be a relief to the Customs Departments in each Presidency.

12. Thus far the Committee have strictly confined themselves to the instructions laid down by the Government of India for their guidance. They desire further to recommend a change in regard to the duties now levied on wines.

13. By

13. By Act XXV of 1865, there has been an uniform duty of 1 rupee per Imperial gallon on the importation of wines of all sorts and descriptions. In the place of this, they would recommend a differential duty as per margin, involving an increase of 8 annas per Imperial gallon on all champagnes, sparkling wines and liqueurs, leaving port, sherry, and Madeira as before at 1 rupee, and reducing the duty one-half on all other wines. This would admit all clarets and all the light wines of France, Germany, and Hungary at the cheaper rate of duty; a class of wines which are suited to this hot climate, and would, if thus encouraged, in some measure take the place of brandy and other spirits.

| | Per Imperial Gallon or Six Quart Bottles. | |
|---|---|---|
| | Present. | Proposed. |
| | *Rs. a. p.* | *Rs. a. p.* |
| Champagnes, Sparkling Hocks and Moselles, and Liqueurs. | 1 – – | 1 8 – |
| Port, Sherry, and Madeira - - | 1 – – | 1 – – |
| Red and White Wines of other sorts. | 1 – – | – 8 – |

14. As representatives from each of the Presidencies have met on this occasion, and have in the course of their labours, in revising the Tariff, gained much insight into the details of the import and export trade, the Committee consider it advisable before they separate, to recommend for the consideration of his Excellency the Governor General in Council, certain measures which, they believe, would greatly relieve the general trade and commerce of India.

15. The import trade, according to the revised lists, may be conveniently classified as consisting,

| | | |
|---|---|---|
| 1st. Of all articles paying above a lakh of rupees of duty in any of the last five years, or 31 articles producing in— | *Vide* Table 1 in Appendix (H.), 30 Articles. | |
| | *Rs.* | |
| 1864-65 - - - 3,42,35,231 | | |
| Deduct salt - - 2,14,59,204 | | |
| | 1,27,76,027 | |
| 2nd. Of all articles paying above 10,000 rupees of duty in any of the last five years (excepting instruments, philosophical, to be made free), or 40 articles producing in 1864-65 - - - - - - | *Vide* Table 2 in Appendix (H.), 40 Articles. | |
| | 10,15,987 | |
| And 3rd. Of all articles paying above 1,000 rupees of duty in any of the last five years, excepting those marginally noted, or 27 articles producing in 1864-65 - - | *Vide* Table 3 in Appendix (H.) | |
| | 1,13,791 | 1. Bags, canvas.<br>2. Boats and barges.<br>3. Chunam.<br>4. Church furniture.<br>5. Fans.<br>6. Fishing tackles.<br>7. India rubber.<br>8. Instruments, optical.<br>9. ———— surgical<br>10. Lacquered ware.<br>11. Printing presses and types.<br>12. Stone ware. |
| *Rs.* | 1,39,05,805 | |

It is suggested that Government should retain these 97 articles for duty, and free every other article on the Import List, with the following result: that, upon the Import Revenue of 1864-65, amounting, exclusive of salt, to 1,40,67,500 rupees, there would be a diminution of 1,61,695 rupees, or a little more than 1 per cent.

16. In regard to exports, the Committee recommend that Government should retain the duty on—

| | 1864-65. |
|---|---|
| | *Rs.* |
| 1. Indigo, 3 rupees per maund - - - - - | 3,41,669 |
| 2. Grain of all sorts, 2 annas per maund - - - | 33,67,699 |
| 3. Lac, 3 per cent. *ad valorem* - - - - - | 1,17,485 |
| 4. Oils, 3 per cent. *ad valorem* - - - - - | 63,560 |
| 5. Seeds, 3 per cent. *ad valorem* - - - - - | 5,51,975 |
| 6. Shawls, 3 per cent. *ad valorem* - - - - - | 70,085 |
| 7. Cotton goods, 3 per cent. - - - - - - | 53,863 |
| 8. Hides, tanned, 3 per cent. - - - - - - | 55,077 |
| 9. Spices, 3 per cent. - - - - - - - | 20,052 |
| TOTAL - - - *Rs.* | 46,41,465 |

and should free every other article of export, including saltpetre, the trade in which is almost destroyed.

| | *Rs.* |
|---|---|
| The result on the year 1864-65 would be that out of a total Export Revenue of | 58,66,567 |
| Government would retain on the above 9 articles | 46,41,465 |
| Showing a loss of | 12,25,102 |
| *Vide* Act XVIII. of 1866. Which latter sum must be further reduced by 7,63,292 rupees already foregone by the reduction of the duty on saltpetre from 1 rupee per maund to 3 per cent. *ad valorem* | 7,63,292 |
| Thus leaving the real loss of Export Revenue, at | 4,61,810 |
| Add loss on Import Revenue | 1,61,695 |
| Total loss *Rs.* | 6,23,505 |

17. The remission of this amount would undoubtedly be a great benefit to the public, and a real and substantial relief to trade, whilst the Government, having virtually freed the Export List of all articles the trade in which should be entirely unrestricted, and having removed a great number of petty articles from the Import List, might fairly recoup the loss, and add to the Revenues of the State, by imposing an additional Export Duty on grain of all sorts, every anna per maund of which would yield, say, 16,00,000 rupees.

18. In making this suggestion the Committee have borne in mind the special position of the grain trade, in which, whilst there have been absolutely no importations, there have been large exportations from India at a considerable profit, during the very time when the population were starving for want of it; and further, that, on reaching some of the countries which are more or less dependent on the supplies of Bengal grain, this very grain is subjected to an import or Octroi Duty; for instance, in Bourbon and Mauritius, of 6 *d.* per bag; in Ceylon, to 1 *s.* per bushel of 62-63 lbs.

*A. F. Bellasis,*
Officiating Commissioner of Customs at Bombay,
and President of the Tariff Committee.

*J. Hunter Blair,*
Collector of Sea Customs, Madras, and
Member of Tariff Committee.

*J. A. Crawford.*
*F. Shiller.*
*T. Bruce Lane.*

*P.S.*—A separate Minute by Mr. Crawford is annexed to the Report.

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As there are two points on which I am not thoroughly in accord with my colleagues, although I have signed the Report to save any further delay, I think it but due to myself to request that it may be distinctly understood that I do not agree in the following proposals:—

1. In the rates of duty as regards wine.
2. In the extra duty recommended to be put on grain.

As regards the rates of duty recommended for different classes of wines, I am of opinion that the light wines, which are in the proposal put at the lower duty, can afford to pay the present rates just as well as the lower orders of sherry and port: and further, that with the duty reduced as proposed, I do not believe there would be any accompanying reduction in price to the consumer, unless he were to import the wines direct for his own use. The reduction

reduction in price since the duty has been lowered from 2 rupees to 1 rupee the gallon, has been, as far as I can find, nil; and I doubt whether in the case of a light wine at, say, 18 rupees a dozen, the reduction of duty from 2 rupees to 1 rupee on the dozen would enable the public to get it at 17 rupees per dozen. The real result would be that the importer would pocket the 1 rupee, and charge the same price as before to the consumer.

I consider wine in exactly the same light as tobacco, a fairly taxable article, both of them being essentially luxuries in the proper sense of the word.

With regard to the extra duty on grain, my objection is based, first, on the ground that all export duties are indefensible, except under the direct necessity of the State. They are contrary to the principles of political economy, and holding this view, I cannot recommend that a certain amount of wrong having been already done to the trade of the country by existing export duties, a further wrong should be perpetrated by adding to the export duty on grain. If the Governments of other places are ill-advised enough to put heavy import duties on certain articles, I do not see that we are bound to retaliate by also putting a heavy addition to the export duty here.

The remissions which the Committee has recommended, will, I have no doubt (if acceded to), be accepted as a small instalment of the relief which the mercantile and trading bodies have so long looked for. As affording any real sensible relief to the trade of this country, I believe the suggestions of the Committee fall very far short of what is required. In my opinion, the trade of this country will never be what it ought to be, till the export trade is wholly and entirely free.

It may be that the revenue cannot be spared. To this I would say in the words of the first Financial Member of the Viceregal Council, that there never was a Customs duty taken off the revenue of which was not replaced from some other and sometimes an unexpected source. In this saying I thoroughly believe. But granting that the revenue must be made good, and that too at once, I would suggest an addition to the salt tax, and my impression is that the whole of the abandoned revenue could be made good from this source. The incidence of the duty as it already stands is extremely light; and the addition requisite to ensure the recouping of the export duties would be infinitessimal in its incidence per head on the consumers. The salt revenue of all India is, if I mistake not, over five crores of rupees. During my tenure of the collectorship of Customs, it amounted in one year to two crores and 45 lakhs for Calcutta alone, and ranges pretty steadily from 1 crore and 80 lakhs to 2 crores. A very slight addition to this tax, an addition imperceptible in its results on consumers, would not only replace the loss from the abolition of the export duties throughout all India, but provide also a surplus fund to meet deficiencies in other sources of revenue.

7 January 1867.

*J. A. Crawford,*
Member of the Tariff Committee.

## APPENDIX (A).

## IMPORT TARIFF.

| No. | ARTICLES. | CLASS. | PER | TARIFF VALUE. Rs. a. p. |
|---|---|---|---|---|
| 1 | Acid, Sulphuric | Drugs and medicines | Lb. | – 3 – |
| 2 | Alkali, country (Sajeekhar) | ditto | Cwt. | 2 – – |
| 3 | Almonds, without shell | Fruits and vegetables | „ | 25 – – |
| 4 | „ with shell | ditto | „ | 10 – – |
| 5 | Aloes, black | Drugs and medicines | „ | 10 – – |
| 6 | „ Socotra | ditto | „ | 25 – – |
| 7 | Aloe wood | Spices | Lb. | 3 – – |
| 8 | Alum | Drugs and medicines | Cwt. | 3 8 – |
| | Anchuchuck | *See* Seeds. | | |
| | Aniseed, Europe | *See* Seeds. | | |
| 9 | „ Star | Spices | Cwt. | 40 – – |
| 10 | Arsenic | Drugs and medicines | „ | 25 – – |
| 11 | „ China Munseel | ditto | „ | 8 – – |
| 12 | Assafœtida (Hing) | ditto | „ | 55 – – |
| 13 | „ coarse (Hingra) | ditto | „ | 10 – – |
| | Assalia | *See* Seeds. | | |
| 14 | Atary, Persian | Perfumery | Cwt. | 15 – – |
| 15 | Bacon, in canisters, jowls and cheeks | Provisions and oilman's stores | Lb. | – 9 – |
| 16 | Bangles, glass, China gilt | Glass | 100 pairs | 10 – – |
| 17 | „ „ „ not gilt | ditto | „ | 5 – – |
| 18 | Beads, China | ditto | Cwt. | 30 – – |
| 19 | „ common | ditto | „ | 28 – – |
| 20 | „ ruby, of all sizes | ditto | Lb. | – 12 – |
| 21 | „ seed | ditto | „ | – 10 – |
| 22 | „ small, scarlet and red | ditto | „ | – 10 – |
| 23 | „ coral, false (Moorzan) | ditto | Corge of 2,000 beads. | – 8 – |
| | Bedellium, common gum | *See* Gums. | | |
| 24 | Beef | Provisions and oilman's stores | Tierce of 3 cwt. | 60 – – |
| 25 | Beef | ditto | Barrel of 2 cwt. | 40 – – |
| | Benjamin | *See* Gums. | | |
| 26 | Betelnut, white, Sheverdhun | Spices | Cwt. | 18 – – |
| 27 | „ all other kinds | ditto | „ | 7 – – |
| 28 | „ in husk | ditto | Thousand | 2 – – |
| 29 | Blacking, quarts | Miscellaneous | Dozen | 5 – – |
| 30 | „ small | ditto | „ | 2 8 – |
| 31 | „ in tins | ditto | Lb. | – 3 – |
| 32 | Border, hides, prepared | Hides and skins | Each | 30 – – |
| | Brass | *See* Metals. | | |
| 33 | Brimstone, flour, not medicinal | Drugs and medicines | Cwt. | 7 – – |
| 34 | „ roll, refined | ditto | „ | 6 – – |
| 35 | „ rough | ditto | „ | 4 8 – |
| | Brocades | *See* Piece Goods. | | |
| 36 | Buffalo hides, country tanned | Hides and skins | Score | 80 – – |
| | Bysabole, coarse myrrh | *See* Gums. | | |
| 37 | Cables, coir, tarred | Naval stores | Cwt. | 10 – – |
| 38 | Cajoo kernels | Fruits and vegetables | „ | 10 – – |
| | „ seed | *See* Seeds. | | |
| 39 | Calf skins | Hides and skins | Dozen | 40 – – |
| 40 | Camphor, Bhimsing (Barras) | Drugs and medicines | Lb. | 50 – – |
| 41 | „ refined cake | ditto | Cwt. | 65 – – |
| 42 | „ crude in powder | ditto | „ | 50 – – |
| 43 | Candles, Wax | Miscellaneous | Lb. | 1 – – |
| 44 | „ Paraphine | ditto | „ | – 8 – |
| 45 | „ Spermaceti | ditto | „ | – 8 – |
| 46 | „ Composition and other sorts | ditto | „ | – 6 – |
| 47 | Canes, Malacca | Canes | Dozen | 1 – – |
| 48 | Canvas, country, cotton | Canvas | Cwt. | 50 – – |
| 49 | „ Europe, sail not exceeding 40 yards | ditto | Bolt | 15 – – |
| | Cardamom Oil | *See* Oils. | | |

APPENDIX (A).—IMPORT TARIFF—*continued.*

| No. | ARTICLES. | CLASS. | PER | TARIFF VALUE. Rs. a. p. |
|---|---|---|---|---|
| 50 | Cask, butts, pipes, and puncheons made up or in shooks. | Casks | Each | 6 – – |
| 51 | „ „ hogsheads, ditto | ditto | „ | 4 – – |
| 52 | „ „ Water, of all sizes | ditto | „ | 4 – – |
| 53 | „ staves, pipe, butt, and puncheon, ditto | ditto | Hundred | 6 – – |
| 54 | „ „ barrel and hogshead ditto | ditto | „ | 4 – – |
| 55 | Cassia Buds, Nagkessur, China | Spices | Lb. | – 8 – |
| 56 | „ Lignea | Drugs and medicines | Cwt. | 38 – – |
| | „ Oil | *See* Oils. | | |
| | Castor, cold drawn, Oil | *See* Oils. | | |
| | „ Seed | *See* Seeds. | | |
| 57 | Catechu, Cutch, or Cauth | Miscellaneous | Cwt. | 9 – – |
| 58 | Chamois Skins | Hides and skins | Dozen | 6 – – |
| 59 | Chanks (large shells) for cameos | Shells | Hundred | 10 – – |
| 60 | „ white, live | ditto | „ | 6 – – |
| 61 | „ „ dead | ditto | „ | 3 – – |
| 62 | Cheese | Provisions and oilman's stores | Lb. | – 10 – |
| 63 | Chillies, dried | Spices | Cwt. | 8 – – |
| 64 | Chocolate | Provisions and oilman's stores | Lb. | – 8 – |
| | Cinnamon Oil | *See* Oils. | | |
| 65 | Cloves | Spices | Cwt. | 12 – – |
| 66 | „ in seeds, Nurlavung | ditto | „ | 8 – – |
| 67 | Cochineal | Dyeing and colouring materials | Lb. | 1 12 – |
| 68 | Cocoa, prepared | Provisions and oilman's stores | „ | – 8 – |
| 69 | Cocoanuts | Fruits and vegetables | Thousand | 30 – – |
| 70 | Cocoanut Kernel (Copra) | ditto | Cwt. | 9 8 – |
| | „ Oil | *See* Oils. | | |
| 71 | „ Shells (rough, Hookha bottoms) | Miscellaneous | Thousand | 12 – – |
| | Cocum Oil | *See* Oils. | | |
| 72 | Coffee, Persian Gulf and Red Sea | Coffee | Cwt. | 30 – – |
| 73 | „ other places | ditto | „ | 20 – – |
| 74 | Coir rope, Maldive, Laccadive | Coir | „ | 10 – – |
| 75 | „ yarn, of all kinds | ditto | „ | 9 – – |
| | Copal Gum | *See* Gums. | | |
| | Copper, of all sorts | *See* Metals. | | |
| 76 | Copperas, Green | Drugs and medicines | Cwt. | 2 8 – |
| 77 | Cordage, Hemp, Europe | Hemp | „ | 18 – – |
| 78 | „ Manilla | ditto | „ | 20 – – |
| 79 | Corks | Miscellaneous | Gross | 1 8 – |
| 80 | Cotton Rope | Cotton | Cwt. | 25 – – |
| 81 | „ Sewing Thread, white and coloured | ditto | Lb. | – 12 – |
| 82 | „ Sewing Thread, in reels or on cards, not exceeding 100 yards.* | ditto | Gross reels | 2 8 – |
| 83 | „ Sewing Thread, Goa and country | | Cwt. | 30 – – |
| 84 | Cow hides, country tanned | Hides and skins | Score | 60 – – |
| 85 | Cowdas, Mozambique and Zanzibar | Shells | Hundred | 3 – – |
| 86 | „ from other places | ditto | „ | – 8 – |
| 87 | Cowries, Bazar, common | ditto | Cwt. | 4 – – |
| 88 | „ Maldive | ditto | „ | 16 – – |
| 89 | „ Sunkley | ditto | „ | 40 – – |
| 90 | „ Yellow, superior quality | ditto | „ | 8 – – |
| | Cummin | *See* Seeds. | | |
| | „ Black | *See* Seeds. | | |
| 91 | Cuppas, Mat Bags | Miscellaneous | Hundred | 10 – – |
| 92 | Currants, Europe | Fruits and vegetables | Cwt. | 35 – – |
| 93 | „ Persian | ditto | „ | 12 – – |
| 94 | Dammer | Pitch, tar | Cwt. | 5 – – |
| 95 | Dates, dry, in bags | Fruits and vegetables | „ | 4 – – |
| 96 | „ wet, in bags | ditto | „ | 3 – – |
| 97 | „ wet, in pots | ditto | „ | 6 – – |
| 98 | Deal or Pine Planks and Boards, superficial square foot, and one inch thickness. | Wood | 1,000 feet | 55 – – |
| – | Domestics and Drills | *See* Piece Goods. | | |
| | Earth Oil | *See* Oils. | | |
| | Elephants' Tusks, &c. | *See* Ivory. | | |
| | Esubgool Seed | *See* Seeds. | | |

* Exceeding this length, to be charged in proportion.

APPENDIX (A.)—IMPORT TARIFF—*continued.*

| No. | Articles. | Class. | Per | Tariff Value. Rs. a. p. |
|---|---|---|---|---|
| 99 | Felt, sheathing, 40 × 32 inches | Miscellaneous | Piece | – 4 – |
| 100 | „ in rolls or in lengths | ditto | Yard | – 4 – |
| 101 | Figs, Europe | Fruits and vegetables | Cwt. | 42 – – |
| 102 | „ Persian, dried | ditto | „ | 6 – – |
| 103 | Fireworks, China | Miscellaneous | Box of 133⅓ lbs. | 30 – – |
| 104 | Fish maws | Provisions and oilman's stores | Cwt. | 50 – – |
| 105 | „ Sozille and Singally, small | ditto | „ | 6 – – |
| 106 | Flour | ditto | In barrels or sacks of 200 lbs. | 25 – – |
| | Frankincense or Olibanum | *See* Gums. | | |
| 107 | Gallnuts, country, Myrabolam | Dyeing and colouring materials | Cwt. | 3 – – |
| 108 | „ Persian | ditto | „ | 35 – – |
| 109 | Gamboge wood | ditto | „ | 20 – – |
| 110 | Garlic | Fruits and vegetables | „ | 4 – – |
| 111 | Ghee | Provisions and oilman's stores | „ | 36 – – |
| 112 | Glass, broken | Glass | „ | 5 – – |
| 113 | „ China, of all colours | ditto | 133⅓ lbs. | 40 – – |
| 114 | „ Crown, coloured | ditto | Supl. 100 ft. | 40 – – |
| 115 | „ Crown, of sizes | ditto | „ | 6 – – |
| 116 | „ Phials, common, China, gilt and plain | ditto | Thousand | 5 – – |
| 117 | „ Plate, not silvered | ditto | Foot | – 10 – |
| 118 | Gold leaf, Europe | Miscellaneous | 100 leaves | 4 – – |
| | Grass oil | *See* Oils. | | |
| 119 | Grease and tallow | Miscellaneous | Cwt. | 20 – |
| 120 | Gum Ammoniac | Gums | „ | 10 – |
| 121 | „ Arabic | ditto | „ | 16 – |
| 122 | „ B'dellium, common gum | ditto | „ | 5 – |
| 123 | „ Benjamin | ditto | „ | 33 – |
| 124 | „ Bysabole, coarse myrrh | ditto | „ | 12 – – |
| 125 | „ Copal | ditto | „ | 65 – – |
| 126 | „ Frankincense or Olibanum | ditto | „ | 9 – – |
| 127 | „ Gambier (or Kino) | ditto | „ | 8 – – |
| 128 | „ Myrrh | ditto | „ | 24 – – |
| 129 | „ Persian, false | ditto | „ | 3 – – |
| 130 | „ Rosin | ditto | „ | 8 – – |
| 131 | Gunpowder, common | Arms and ammunition | Lb. | – 5 – |
| 132 | „ sporting | ditto | „ | 1 – – |
| 133 | Hams | Provisions and oilman's stores | „ | – 8 – |
| 134 | Horns, buffaloe | Horns | Cwt. | 11 – – |
| 135 | „ stag or deer | ditto | „ | 12 – – |
| | Iron, of all sorts | *See* Metals. | | |
| 136 | Ivory, elephants' grinders | Ivory | Cwt. | 16 – – |
| 137 | „ Tusks, above 20 lbs. | ditto | „ | 300 – – |
| 138 | „ Tusks, 10 lbs. and not exceeding 20 lbs. | ditto | „ | 225 – – |
| 139 | „ Tusks, under 10 lbs. | ditto | „ | 125 – – |
| 140 | „ Sea cow or moye teeth, 3 lbs. and upwards | ditto | „ | 225 – – |
| 141 | „ Sea cow or moye teeth, under 3 lbs. | ditto | „ | 75 – – |
| | Jeans | *See* Piece Goods. | | |
| | Jingellee or teel | *See* Seeds. | | |
| 142 | Lac, stick | Lac | Cwt. | 16 – – |
| 143 | „ shell | ditto | „ | 28 – – |
| | Lametta | *See* Metals. | | |
| | Lead, of all sorts | ditto. | | |
| | Linseed | *See* Seeds. | | |
| | „ oil | *See* Oils. | | |
| | Longcloths and jeans | *See* Piece Goods. | | |
| 144 | Mace | Spices | Lb. | – 9 – |
| 145 | „ false | ditto | Cwt. | 10 – – |
| | Madapollams | *See* Piece Goods. | | |
| 146 | Madder or munjeet | Dyeing and colouring materials | „ | 10 – – |
| 147 | Mahogany, in logs, per superficial square foot of one inch thickness. | Wood | – | – 6 – |
| 148 | „ Australian | ditto | Ton | 60 – – |

APPENDIX (A.)—IMPORT TARIFF—*continued.*

| No. | Articles. | Class. | Per | Tariff Value. Rs. | a. | p. |
|---|---|---|---|---|---|---|
| 149 | Mats, floor matting, China, of all sorts | Miscellaneous | 100 | 50 | – | – |
| | Metals: | | | | | |
| 150 | Brass beads, Googree, China | Metals | Thousand | – | 12 | – |
| 151 | „ Old | ditto | Cwt. | 35 | – | – |
| 152 | „ Sheets, rolls very thin | ditto | „ | 80 | – | – |
| 153 | Copper, Australian | ditto | „ | 48 | – | – |
| 154 | „ Bolt | ditto | „ | 50 | – | – |
| 155 | „ Brazier's | ditto | „ | 50 | – | – |
| 156 | „ China cash | ditto | „ | 30 | – | – |
| 157 | „ Japan | ditto | „ | 48 | – | – |
| 158 | „ Nails and composition nails | ditto | „ | 45 | – | – |
| 159 | „ Old | ditto | „ | 40 | – | – |
| 160 | „ Pigs and slabs, foreign | ditto | „ | 45 | – | – |
| 161 | „ Sheet, sheathing, and plate | ditto | „ | 50 | – | – |
| 162 | „ Tiles, ingots, cakes, and bricks | ditto | „ | 47 | – | – |
| 163 | „ China white copper ware | ditto | Lb. | 1 | 4 | – |
| 164 | „ Foil Dauk-pana China | ditto | Book of 100 leaves. | 3 | – | – |
| 165 | „ „ „ Europe | ditto | „ | 4 | – | – |
| 166 | Iron, flat, square, and bolt, including Scotch | ditto | Ton | 85 | – | – |
| 167 | „ Hoop, plate, and sheet | ditto | „ | 115 | – | – |
| 168 | „ Nails | ditto | Cwt. | 10 | – | – |
| 169 | „ Nail rod | ditto | Ton | 95 | – | – |
| 170 | „ Old | ditto | Cwt. | 2 | 8 | – |
| 171 | „ Pig | ditto | Ton | 40 | – | – |
| 172 | „ Rice bowls | ditto | Set of 10 | 3 | 4 | – |
| 3 | „ Ditto | ditto | Set of 6 | 1 | 10 | – |
| 71 4 | „ Rivets | ditto | Cwt. | 11 | – | – |
| 5 | „ Rod, round, British, under half inch diameter. | ditto | Ton | 110 | – | – |
| 7 | | | | | | |
| 776 | „ Swedish, flat and square | ditto | „ | 140 | – | – |
| 177 | Lametta, Double reels | ditto | Score | 4 | 8 | – |
| 178 | „ Single reels | ditto | „ | 2 | 4 | – |
| 179 | Lead, Pig | ditto | Cwt. | 10 | – | – |
| 180 | „ Pipes | ditto | „ | 13 | 8 | – |
| 181 | „ Pipes, tinned | ditto | „ | 16 | – | – |
| 182 | „ Sheets | ditto | „ | 12 | – | – |
| 183 | Ore Gallena | ditto | „ | 13 | – | – |
| 184 | Mock gold leaf | ditto | 20 books | 5 | – | – |
| 185 | Orsidue or brass leaves, foreign, Europe | ditto | Lb. | 1 | 4 | – |
| 186 | „ China | ditto | „ | – | 12 | – |
| 187 | Patent or yellow metals, sheathing and sheets. | ditto | Cwt. | 42 | – | – |
| 188 | „ „ „ Old | ditto | „ | 32 | – | – |
| 189 | Quicksilver | ditto | Lb. | 1 | – | – |
| 190 | Shot, bird | ditto | Cwt. | 15 | – | – |
| 191 | Spelter Nails | ditto | „ | 17 | 8 | – |
| 192 | „ Plate and other shapes | ditto | „ | 11 | – | – |
| 193 | „ Sheet or zinc sheathing | ditto | „ | 15 | – | – |
| 194 | Steel, Blistered | ditto | „ | 9 | – | – |
| 195 | „ British | ditto | „ | 9 | – | – |
| 196 | „ Cast | ditto | „ | 25 | – | – |
| 197 | „ Spring | ditto | „ | 10 | – | – |
| 198 | „ Swedish | ditto | „ | 10 | – | – |
| 199 | Tin, Block | ditto | „ | 45 | – | – |
| 200 | „ Plates, large size, box not exceeding 170 lbs. and 100 plates, and *pro rata* | ditto | – | 24 | – | – |
| 201 | „ Small size, not exceeding one cwt. and 225 plates, and *pro rata.* | ditto | – | 14 | – | – |
| 202 | Wire, Brass | ditto | Lb. | – | 8 | – |
| 203 | „ Common iron, Nos. 1 to 40 | ditto | Cwt. | 9 | 8 | – |
| 204 | „ Copper | ditto | Lb. | – | 10 | – |
| | Methee seed | *See* Seeds. | | | | |
| 205 | Mother-o'-pearl shells | Shells | Cwt. | 8 | – | – |
| | Mule twist | *See* Twist. | | | | |
| | Mustard seed | *See* Seeds. | | | | |
| | Myrrh | *See* Gums. | | | | |
| | Naptha oil | *See* Oils. | | | | |
| 206 | Nutmegs | Spices | Lb. | – | 10 | – |
| 207 | „ in shell | ditto | „ | – | 6 | – |
| 208 | „ wild | ditto | Cwt. | 12 | – | – |

APPENDIX (A).—IMPORT TARIFF—*continued.*

| No. | ARTICLES. | CLASS. | PER | TARIFF VALUE. Rs. a. p. |
|---|---|---|---|---|
| 209 | Ochre, of all colours | Paints, colours, and painters' materials. | Cwt. | 3 – – |
| | Oils: | | | |
| 210 | Cardamom | Oils | Lb. | 10 – – |
| 211 | Cassia | ditto | „ | 4 – – |
| 212 | Castor, cold drawn | ditto | Dozen pints | 4 8 – |
| 213 | Cinnamon, Ceylon | ditto | Lb. | 10 – – |
| 214 | Cocoanut | ditto | Cwt. | 20 – – |
| 215 | Cocum | ditto | „ | 15 – – |
| 216 | Earth | ditto | „ | 10 – – |
| 217 | Grass | ditto | Lb. | 2 – – |
| 218 | Jingeelee or Teel | ditto | Cwt. | 20 – – |
| 219 | Kerosene | ditto | Imperial gall. | 1 12 – |
| 220 | Linseed, country | ditto | Cwt. | 18 – – |
| 221 | „ Europe | ditto | Imperial gall. | 2 4 – |
| 222 | Naptha | ditto | Cwt. | 30 – – |
| 223 | Otto, of sorts | ditto | Ounce | 20 – – |
| 224 | Sandal wood | ditto | Lb. | 8 – – |
| 225 | Sorrel | ditto | Cwt. | 20 – – |
| 226 | Turpentine | ditto | Imperial gall. | 2 – – |
| 227 | Whale and fish | ditto | Cwt. | 15 – – |
| 228 | Wood | ditto | „ | 15 – – |
| 229 | Orchilla weed | Dyeing and colouring materials | „ | 8 – – |
| | Orsidue | *See* Metals. | | |
| | Otto, of sorts | *See* Oils. | | |
| 230 | Paints, of sorts | Paints, colours, and painters' materials. | Cwt. | 12 – – |
| 231 | Paper, China, flowered and partially gilt | Paper | 1,000 sheets | 12 – – |
| 232 | „ gilt Bellisia | ditto | „ | 2 – – |
| 233 | „ „ half | ditto | „ | 1 – – |
| 234 | „ Lappa | ditto | „ | 10 – – |
| 235 | „ wholly and entirely gilt, flowered, and plain. | ditto | „ | 22 – – |
| | Patent metal | *See* Metals. | | |
| 236 | Pearls, false Bajeria | Glass | Lakh | 5 – – |
| 237 | „ Boria | ditto | Thousand | 1 – – |
| 238 | „ Jouria | ditto | Lakh | 8 – – |
| 239 | „ Nathia | ditto | Thousand | – 6 – |
| 240 | „ Tachea | – | „ | – 12 – |
| 241 | „ Wattanah | – | Lakh | 10 – – |
| 242 | Pepper, black and long | Spices | Cwt. | 15 – – |
| 273 | „ white | ditto | „ | 25 – – |
| | Piece goods, cotton, British and Europe, grey: | | | |
| 244 | Shirtings, Madapollams, and printers | Piece goods | Lb. | – 13 – |
| 245 | Long cloths, jeans, domestics, sheetings, drills, and T. cloth. | ditto | „ | – 11 – |
| 246 | Pistachio nuts | Fruits and vegetables | Cwt. | 14 – – |
| 247 | Pitch, American and Europe | Pitch | Barrel, not exceeding 3 cwt. | 13 – – |
| 248 | „ Coal | ditto | „ | 4 8 – |
| 249 | Pork | Provisions and oilman's stores | Tierce of 3 cwt. | 50 – – |
| 250 | „ | ditto | Barrel of 2 cwt. | 34 – – |
| 251 | Prunes, Bussorah | Fruits and vegetables | Cwt. | 12 – – |
| 252 | Prussian blue, China | Paints, colours, and painters' materials. | Lb. | – 8 – |
| 253 | „ Europe | ditto | „ | 1 8 – |
| | Quicksilver | *See* Metals. | | |
| | Quince seed or Badana | *See* Seeds. | | |
| 254 | Quinine | Drugs and medicines | Lb. | 50 – – |
| 255 | Raisins, black, Persian Gulf, Red Sea, and Khismis. | Fruits and vegetables | Cwt. | 12 – – |
| 256 | „ Monocka, Persian Gulf, and Red Sea | ditto | „ | 7 – – |
| 257 | Rattans | Canes | „ | 7 – – |
| | Rape or Sursee | *See* Seeds | | |

APPENDIX (A).—IMPORT TARIFF—*continued.*

| No. | ARTICLES. | CLASS. | PER | TARIFF VALUE. |
|---|---|---|---|---|
| | | | | *Rs. a. p.* |
| 258 | Red Lead | Paints, colours, and painters' materials. | Cwt. | 14 – – |
| 259 | Rhinoceros' leather | Hides and Skins | „ | 40 – – |
| 260 | Rose flowers, dried | Perfumery | „ | 10 – – |
| 261 | Rose water | ditto | Imperial gall. | 1 12 – |
| | Rosin | *See* Gums. | | |
| 262 | Saffron, Europe | Dyeing and colouring materials | Lb. | 16 – – |
| 263 | „ Meadow, Soorunjun | ditto | Cwt. | 10 – – |
| 264 | „ Persian | ditto | Lb. | 12 – – |
| 265 | „ in cakes or lumps | ditto | „ | 5 – – |
| 266 | Sago | Provisions and oilman's stores | Cwt. | 7 – – |
| 267 | Salamoniac | Drugs and medicines | „ | 22 – – |
| 268 | Salep | ditto | „ | 60 – – |
| 269 | Sandal wood | Wood | „ | 22 – – |
| 270 | „ Australian and bastard | ditto | „ | 4 – – |
| | „ Oil | *See* Oils. | | |
| 271 | Sapan wood and root | Dyeing and colouring materials | „ | 3 8 – |
| | Sawjeerah seed | *See* Seeds. | | |
| | Seeds: | | | |
| 272 | Anchuchuck | Seeds | „ | 10 – – |
| 273 | Anise, Europe | ditto | „ | 28 – – |
| 274 | Assalia | ditto | „ | 7 – – |
| 275 | Cajoo | ditto | „ | 3 – – |
| 276 | Castor | ditto | „ | 4 8 – |
| 277 | Cummin | ditto | „ | 12 – – |
| 278 | „ Black | ditto | „ | 5 – – |
| 279 | Esubgool | ditto | „ | 5 – – |
| 280 | Linseed | ditto | „ | 5 – – |
| 281 | Methee | ditto | „ | 5 – – |
| 282 | Mustard | ditto | „ | 4 8 – |
| 283 | Quince seed or Badana | ditto | „ | 50 – – |
| 284 | Rape or Sursee | ditto | „ | 4 8 – |
| 285 | Sawjeerah | ditto | „ | 25 – – |
| 286 | Tookmeria | ditto | „ | 7 – – |
| 287 | Senna leaves | Drugs and medicines | „ | 6 – – |
| 288 | Shark fins | Provisions and oilman's stores | „ | 20 – – |
| | Sheetings | *See* Piece goods. | | |
| | Shirtings | *See* Piece goods. | | |
| | Shot, of all sorts | *See* Metals. | | |
| 289 | Silk, floss | Silks | Lb. | 8 – – |
| 290 | „ Raw, Charon and Cochin China | ditto | „ | 4 – – |
| 291 | „ „ Mathow | ditto | „ | 1 12 – |
| 292 | „ „ other kinds of China | ditto | „ | 7 – – |
| 293 | „ „ Persian | ditto | „ | 5 – – |
| 294 | „ „ Punjum and Cutchra | ditto | „ | 1 12 – |
| 295 | „ „ Siam | ditto | „ | 4 – – |
| 296 | „ Sewing thread, China | ditto | „ | 8 – – |
| 297 | Silver ware, plain | Miscellaneous | Tolah | 1 6 – |
| | Sorrel oil | *See* Oils. | | |
| | Spelter | *See* Metals. | | |
| | Steel | *See* Metals. | | |
| 298 | Sugar candy, China | Sugar | Cwt. | 20 – – |
| 299 | „ loaf | ditto | „ | 23 – – |
| 300 | „ soft | ditto | „ | 12 – – |
| | T. cloth | *See* Piece goods. | | |
| | Tallow and grease | *See* Grease. | | |
| 301 | Tar, American | Pitch | Barrel of 3 cwt. | 13 – – |
| 302 | „ Coal | ditto | „ | 6 8 – |
| 303 | „ Swedish and Archangel | ditto | „ | 14 – – |
| 304 | Tea | Miscellaneous | Lb. | 1 – – |
| | Tin | *See* Metals. | | |
| 305 | Tongues, salted | Provisions and oilman's stores | Keg of 6 | 10 – – |
| | Tookmeria | *See* Seeds. | | |
| 306 | Tortoise shell | Shells | Lb. | 6 – – |
| 307 | „ Nuck | ditto | „ | 1 – – |
| 308 | Turpentine | Paints, colours, and painters' materials. | Imperial gall. | 2 – – |
| | „ Oil of | *See* Oils. | | |

APPENDIX (A.)—IMPORT TARIFF—*continued.*

| No. | Articles. | Class. | Per | Tariff Value Rs. a. p. |
|---|---|---|---|---|
| 309 | Twine, Europe, sail | Hemp | Lb. | – 8 – |
| | Twist: | | | |
| 310 | Mule, under No. 15 | Twist | „ | – 7 – |
| 311 | „ Nos. 16 to 24 | ditto | „ | – 11 – |
| 312 | „ Nos. 25 to 32 | ditto | „ | – 12 – |
| 313 | „ Nos. 33 to 42 | ditto | „ | – 13 – |
| 314 | „ Nos. 43 to 52 | ditto | „ | – 14 – |
| 315 | „ Nos. 53 to 60 | ditto | „ | 1 1 – |
| 316 | „ No. 70 | ditto | „ | 1 2 – |
| 317 | „ No. 80 | ditto | „ | 1 3 – |
| 318 | „ No. 90 | ditto | „ | 1 4 – |
| 319 | „ No. 100 | ditto | „ | 1 5 – |
| 320 | „ Nos. 110 to 150 | ditto | „ | 1 10 – |
| 321 | „ Nos. 160 to 200 | ditto | „ | 1 14 – |
| 322 | Water, No. 20 | ditto | „ | – 12 – |
| 323 | „ No. 30 | ditto | „ | – 13 – |
| 324 | „ No. 40 | ditto | „ | – 15 – |
| 325 | „ No. 50 | ditto | „ | 1 1 – |
| 326 | „ above No. 50 | ditto | „ | 1 4 – |
| 327 | Turkey red twist, all kinds* | ditto | „ | 1 6 – |
| 328 | Twist, orange, red, and other colours* | ditto | „ | 1 2 – |
| 329 | Umbrellas, cotton, steel ribs | Umbrellas | Each | – 13 – |
| 330 | „ „ cane ribs | ditto | „ | – 11 – |
| 331 | „ China paper kettisals | ditto | Box of 110 | 5 – – |
| 332 | Vermillion, Canton | Paints, colours, and painters' materials. | Box of 90 bundles. | 85 – – |
| 333 | „ Macao | ditto | „ | 30 – – |
| 334 | Vinegar, in bottles or in wood, Europe | Provisions and oilman's stores | Imperial gall. | 1 8 – |
| 335 | „ „ Persian | ditto | „ | – 12 – |
| 336 | „ „ Country | ditto | „ | – 6 – |
| 337 | Walnuts, Akroot | Fruits and vegetables | Cwt. | 5 – – |
| | Wire, of all sorts | *See* Metals. | | |
| | Water twist | *See* Twist. | | |
| | Whale and fish oil | *See* Oils. | | |
| 338 | White lead | Paints, colours, and painters' materials. | „ | 12 – – |
| | Wood oil | *See* Oils. | | |
| | Yellow metals | *See* Metals. | | |

## APPENDIX (B.)

## EXPORT TARIFF.

| No. | Articles. | Class. | Per | Tariff Value Rs. a. p. |
|---|---|---|---|---|
| 1 | Aloe wood | Spices | Lb. | 3 – – |
| 2 | Betelnut, in husk | ditto | Thousand | 2 – – |
| 3 | Blankets, country | Woollens | Score | 12 – – |
| 4 | „ Patna | ditto | „ | 18 – – |
| 5 | Borax | Miscellaneous | Cwt. | 16 – – |
| 6 | „ Tincal | ditto | „ | 14 – – |
| | Brass and composition ware | *See* Metals. | | |
| | Buffalo hides | *See* Hides and Skins. | | |
| | „ horns | *See* Horns. | | |

* Duty to be charged on the grey weight of the coloured yarn; when not ascertainable, the actual wharf weight or invoice weight to be taken.

APPENDIX (B.)—EXPORT TARIFF—*continued.*

| No. | ARTICLES. | CLASS. | PER | TARIFF VALUE. |
|---|---|---|---|---|
| | | | | *Rs. a. p.* |
| 7 | Caoutchouc, Indiarubber | Miscellaneous | Cwt. | 20 – – |
| 8 | Cardamoms | Spices | „ | 200 – – |
| 9 | „ large bastard | ditto | „ | 40 – – |
| | Castor oil | *See* Oils. | | |
| | „ seed | *See* Seeds. | | |
| 10 | Catechu, cutch, or cauth | Miscellaneous | „ | 9 – – |
| 11 | Chillies, dried | Spices | „ | 8 – – |
| | Cocoanut oil | *See* Oils. | | |
| 12 | Coir cables, tarred and untarred | Coir | „ | 10 – – |
| 13 | „ rope and coir yarn | ditto | „ | 9 – – |
| 14 | „ loose, or fibre | ditto | „ | 5 – – |
| | Copper ware | *See* Metals. | | |
| | Coriander seed | *See* Oil Seeds. | | |
| | Cornelians: | | | |
| 15 | Dole necklace, plain, of all kinds | Miscellaneous | Corge of 2,000 beads. | 7 – – |
| 16 | „ cut | ditto | „ | 20 – – |
| 17 | „ Gool and Nimgool | ditto | Hundred | 6 – – |
| 18 | „ Nagina | ditto | Thousand | 7 – – |
| 19 | „ Tusby, cut | ditto | Corge of 2,000 | 15 – – |
| 20 | „ „ plain | ditto | „ | 7 – – |
| 21 | „ „ chassai, polished | ditto | Hundred | 5 – – |
| 22 | „ „ „ unpolished | ditto | „ | 3 – – |
| | Cummin seed | *See* Oil Seeds. | | |
| | Elephant tusks | *See* Ivory. | | |
| 23 | Fish maws | Provisions | Cwt. | 50 – – |
| | Fish oil | *See* Oils. | | |
| 24 | Ghee | Provisions | „ | 36 – – |
| 25 | Ginger, dry (rough), Malabar | Spices | „ | 10 – – |
| 26 | „ „ Bengal | ditto | „ | 7 – – |
| 27 | „ (scraped) | ditto | „ | 15 – – |
| | Goat skins | *See* Hides and Skins. | | |
| | Grass oil | *See* Oils. | | |
| | Ground nuts | *See* Oil Seeds. | | |
| | Gunny bags: | | | |
| 28 | Power loom, twilled | Jute, Manufactures of | Hundred | 32 – – |
| 29 | „ „ plain | ditto | „ | 28 – – |
| 30 | „ jail | ditto | „ | 30 – – |
| 31 | Cheekun | ditto | „ | 22 – – |
| 32 | Other kinds of Native manufacture, not exceeding in length 29 inches, and in breadth 29 inches. | ditto | „ | 12 – – |
| 33 | Ditto, exceeding those dimensions | ditto | „ | 16 – – |
| | Gunny cloth: | | | |
| 34 | Power loom, twilled, not exceeding 30 inches wide. | ditto | Yard | – 1 9 |
| 35 | Power loom, plain | ditto | „ | – 1 6 |
| 36 | Cheekun | ditto | „ | – 1 3 |
| 37 | American, of 30 yards | ditto | Piece | 3 8 – |
| | Hides: | | | |
| 38 | Buffalo, country, tanned | Hides and Skins | Score | 70 – – |
| 39 | Cow, tanned | ditto | „ | 50 – – |
| 40 | Goat and sheep skins, tanned | ditto | „ | 10 – – |
| 41 | Lamb skins, tanned | ditto | „ | 5 – – |
| | Horns: | | | |
| 42 | Buffalo | Horns | Cwt. | 11 – – |
| 43 | Cow | ditto | „ | 8 – – |
| 44 | Deer and stag | ditto | „ | 12 – – |
| 45 | Tips | ditto | „ | 10 – – |
| | Ivory: | | | |
| 46 | Elephants' tusks, above 20 lbs. | Ivory | „ | 300 – – |
| 47 | „ „ „ 10 lbs. and not exceeding 20 lbs. | ditto | „ | 225 – – |
| 48 | „ „ under 10 lbs. | ditto | „ | 125 – – |
| | Jingeely, or teel oil | *See* Oils. | | |
| | „ „ seed | *See* Seeds. | | |
| 49 | Jute rope | Jute, Manufactures of | „ | 10 – – |

APPENDIX (B.)—EXPORT TARIFF—*continued.*

| No. | ARTICLES. | CLASS. | PER | TARIFF VALUE. |
|---|---|---|---|---|
| | | | | *Rs.* *a.* *p.* |
| | Lac: | | | |
| 50 | Button | Lac | Cwt. | 28 – – |
| 51 | Dye | ditto | „ | 45 – – |
| 52 | Seed | ditto | „ | 20 – – |
| 53 | Shell | ditto | „ | 28 – – |
| 54 | Stick | ditto | „ | 16 – – |
| | Lamb skins | *See* Hides and Skins. | | |
| 55 | Lard, Hogs' | Provisions | „ | 25 – – |
| | Linseed | *See* Oil Seeds. | | |
| | „ oil | *See* Oils. | | |
| | Methee | *See* Oil Seeds. | | |
| | Mhowa oil | *See* Oils. | | |
| | Mustard seed | *See* Oil Seeds. | | |
| | „ oil | *See* Oils. | | |
| 56 | Myrabolams (country gallnuts) | Dyeing and colouring materials | „ | 3 – – |
| | Oils: | | | |
| 57 | Castor | Oils | „ | 16 – – |
| 58 | Cocoanut | ditto | „ | 20 – – |
| 59 | Fish | ditto | „ | 15 – – |
| 60 | Grass | ditto | Lb. | 2 – – |
| 61 | Jingeely or teel | ditto | Cwt. | 20 – – |
| 62 | Linseed | ditto | „ | 18 – – |
| 63 | Mhowa | ditto | „ | 12 – – |
| 64 | Mustard | ditto | „ | 16 – – |
| 65 | Poppy | ditto | „ | 20 – – |
| 66 | Rape or sursee | ditto | „ | 16 – – |
| 67 | Sandalwood | ditto | Lb. | 8 – – |
| | Oil Seeds: | | | |
| 68 | Castor seed (erundee) | Seeds | Cwt. | 4 8 – |
| 69 | Coriander seed | ditto | „ | 4 – – |
| 70 | Cummin seed | ditto | „ | 12 – – |
| 71 | „ Black (caleejeera) | ditto | „ | 5 – – |
| 72 | Ground nuts, with shell | ditto | „ | 5 – – |
| 73 | „ without shell | ditto | „ | 6 – – |
| 74 | Jingeely or teel seed | ditto | „ | 6 – – |
| 75 | Linseed | ditto | „ | 5 – – |
| 76 | Methee seed | ditto | „ | 5 – – |
| 77 | Mustard seed | ditto | „ | 4 8 – |
| 78 | Poppy seed | ditto | „ | 5 8 – |
| 79 | Rape or sursee seed | ditto | „ | 4 8 – |
| 80 | Orris root, patchuck koot, or ooplate | Drugs and medicines | „ | 14 – – |
| 81 | Pepper | Spices | „ | 15 – – |
| | Piece Goods, Silk: * | | | |
| 82 | Bandanah choppahs, per piece of 7 handkerchiefs. | Silk Piece Goods | Score | 115 – – |
| 83 | Korahs, 14 by 2 | ditto | „ | 115 – – |
| 84 | „ 13 by 1-14 | ditto | „ | 80 – – |
| 85 | „ 12 by 1-12 | ditto | „ | 55 – – |
| 86 | „ 10 by 1-6 | ditto | „ | 35 – – |
| 87 | Tussor | ditto | „ | 80 – – |
| 88 | Moomee choppahs, 14 by 2, per piece of 7 handkerchiefs. | ditto | „ | 115 – – |
| 89 | Moomee, 13 by 1-14 | ditto | „ | 80 – – |
| 90 | „ 12 by 1-12 | ditto | „ | 55 – – |
| 91 | „ 10 by 1-6 | ditto | „ | 35 – – |
| | Piece Goods, Cotton: | | | |
| 92 | Baftahs | Cotton Piece Goods | „ | 30 – – |
| 93 | Gurrah | ditto | „ | 20 – – |
| 94 | Kharwah | ditto | „ | 25 – – |
| 95 | Mamoodie | ditto | „ | 32 – – |
| 96 | Mirzapore chintz | ditto | „ | 15 – – |
| 97 | Patna | ditto | „ | 30 – – |
| 98 | Shans | ditto | „ | 40 – – |
| 99 | Tunjeeb, Oude | ditto | „ | 26 – – |
| | Poppy oil | *See* Oils. | | |
| | „ seed | *See* Oil Seeds. | | |

* Silk piece goods of these sorts exceeding the specified sizes, to be assessed proportionately.

APPENDIX (B.)—EXPORT TARIFF—*continued.*

| No. | ARTICLES. | CLASS. | PER | TARIFF VALUE. |
|---|---|---|---|---|
| | | | | *Rs. a. p.* |
| | Rape or sursee oil | *See* Oils. | | |
| | „ „ Seed | *See* Oil Seeds. | | |
| 100 | Red wood | Dyeing and colouring materials | Cwt. | 1 4 – |
| 101 | Safflower, Bengal | Dyeing and colouring materials | „ | 42 – – |
| 102 | „ Ghatty and Guzerattee | ditto | „ | 20 – – |
| 103 | Sandalwood | Woods | „ | 22 – – |
| 104 | „ shavings, Malabar | ditto | „ | 7 – – |
| | „ oil | *See* Oils. | | |
| 105 | Sapan Wood | Dyeing and colouring materials | „ | 3 – – |
| 106 | Soap | Miscellaneous | „ | 8 – – |
| 107 | Tamarind | Fruits and vegetables | „ | 4 – – |
| 108 | Turmeric | Spices | „ | 7 – – |
| 109 | Twine, hemp | Hemp | „ | 20 – – |
| 110 | „ jute | Jute | „ | 9 – – |
| 111 | Twist, cotton, country, No. 10 | Twist | Lb. | – 7 – |
| 112 | „ „ „ No. 20 | ditto | „ | – 9 – |
| 113 | „ „ „ No. 30 | ditto | „ | – 10 – |
| 114 | „ Hand spun | ditto | „ | – 5 – |

## APPENDIX (C.)

IMPORTS.—*AD VALOREM* LIST OF DUTIABLE ARTICLES.

1. Apothecary's and medical stores.
2. Apparel.
3. Arms and ammunition.
4. Bats and balls.
5. Beads, of sorts.
6. Billiard tables.
7. Biscuits.
8. Brocades.
9. Brushes.
10. Cabinet-ware.
11. Cardamoms.
12. „ bastard.
13. Cards, playing, and dice.
14. Carpets and carpeting.
15. Carriages.
16. China-ware.
17. Chemicals.
18. Cigars and cheroots.
19. Clocks and watches.
20. Coachbuilders' materials.
21. Coir, manufactures of.
22. Confectionery.
23. Cotton goods.
24. Coova, red.
25. Coral.
26. Crockery-ware.
27. Drugs and medicines, of sorts.
28. Dyes, of sorts.
29. Earthen and porcelain-ware.
30. Fans.
31. Fireworks, other sorts.
32. Fishing tackle.
33. Flax, manufactures of.
34. Flints.
35. Fruits and nuts, of sorts.
36. Galingal, China and other places.
37. Garlic.
38. Glass-ware.
39. Grass-cloth.
40. Gowla.
41. Groceries.
42. Gums, of sorts.
43. Guns and fowling pieces.
44. Gunnies and gunny bags.
45. Hemp, manufactures of.
46. Hides and skins, of sorts.
47. Honey.
48. Horns, manufactures of.
49. India rubber, manufactures of.
50. Instruments, engineering.
51. „ mathematical.
52. „ musical.
53. „ optical.
54. „ philosophical.
55. „ surgical.
56. Ivory, manufactures of.
57. Jaggery, molasses, sugarcane, and other sorts.
58. Japan-ware.
59. Jewellery and plate of all kinds.
60. Jute, manufactures of.
61. Lac, of sorts.
62. Lacquered-ware.
63. Lamp, Black.
64. Lard.
65. Leather.
66. „ manufactures of.
67. Lucifer and other sorts of matches.

APPENDIX (C.)—IMPORTS—*Ad Valorem* List of Dutiable Articles—*continued.*

68. Maccaroni.
69. Mangoes, dried.
70. Marble slabs.
71. Metals, manufactures of.
72. Musk, of sorts.
73. Naval stores.
74. Nuckla.
75. Oils, of sorts.
76. Oilman's stores.
77. Oilcloth.
78. Paints, colours, and painters' materials.
79. Papiermâché-ware.
80. Perfumery of all sorts.
81. Petroleum.
82. Photographic apparatus and materials.
83. Picture frames, gilt borders, and beadings.
84. Preserves, China, and other sorts.
85. Provisions.
86. Prunes, Europe.
87. Quercitron bark.
88. Railway materials and stores.
89. Raisins, of sorts.
90. Rattans and canes, of sorts.
91. Saddlery.
92. Saltpetre.
93. Salt.
94. Seeds, of sorts.
95. Shawls.
96. Shark fins.
97. Shemby bark.
98. Silk, of sorts.
99. Silk piece goods, of sorts.
100. Snuff.
101. Soap, of sorts.
102. Spices, of sorts.
103. Sponges.
104. Stationery.
105. Stone-ware.
106. Stone, marble, and slate, manufactured.
107. Suet.
108. Telegraphic stores.
109. Tiles and bricks, ornamental.
110. Tobacco, manufactured.
111. „ unmanufactured.
112. „ pipes, and articles used in consumption of tobacco.
113. Toys.
114. Trunks and boxes.
115. Turmeric.
116. Umbrellas, of sorts.
117. Verdigris.
118. Vermicelli.
119. Wax, bees'.
120. Wood and timber.
121. „ manufactures of.
122. Wooden-ware.
123. Woollen, of sorts.

## APPENDIX (D.)

### FREE LIST—IMPORTS.—ARTICLES FREE by ACT XXV. of 1865.

1. Agricultural implements.
2. Books.
3. Bottles.
4. Bullion and coin.
5. Coal, coke, bricks, chalk, and stones.
6. Cotton wool.
7. Firewood.
8. Flax.
9. Grain and pulse.
10. Guano and manures of all kinds.
11. Hemp.
12. Hides and skins, raw.
13. Horses and other living animals.
14. Ice.
15. Jute.
16. Machinery used exclusively for purposes of agriculture, navigation, mining, or manufacture, or for railway purposes, and materials forming necessary component parts of such machinery.

    And the officer in charge of the Custom House, subject to the orders of the Local Government, acting under the general instructions of the Government of India, shall decide what articles come within the definition of such machinery, or materials forming component parts thereof, and such decision shall be final in law.
17. Maps, prints, music, and works of art.
18. Military and other regulation uniforms and accoutrements when imported for private use by persons in the public service.
19. Paper.
20. Precious stones and pearls.
21. Seeds when imported by any public society for gratuitous distribution.
22. Wool.

*Petty Articles in former Tariff recommended by the Committee for Free List.*

1. Anchors.
2. Biche de Mer.
3. Bidmiskh.
4. Brooms.
5. Butter.
6. Buzabutoo nuts.
7. Cables.
8. Catgut.
9. Cocoanut shells, broken, used in making gas.
10. Cocum.
11. Ebony.
12. Glue.
13. Goglets.
14. Horsehair.
15. Kentledge.
16. Lemon juice.
17. Lead, thin, for tea canisters, used in the exportation of Indian tea.
18. Lignum Vitæ.
19. Oakum.
20. Seltzer water.
21. Slush fat.
22. Soap stone.
23. Tuggur wood.
24. Wax.

APPENDIX (D.)—FREE LIST—IMPORTS.—Articles Free by Act XXV. of 1865—*continued.*

*Petty Articles paying* ad valorem *Duties recommended by the Committee for Free List.*

1. Asphalte.
2. Bags, Canvas.
3. Boats and Barges, whole or in pieces.
4. Cow tails.
5. Hay and straw.
6. Hops.
7. Oilcake.
8. Palmyra wood.
9. Printing Presses.
10. „ Types.
11. „ Materials.
12. Soda water.
13. Salted fish.
14. Spectacles.
15. Talc.

All other articles not enumerated in Tariff or *ad valorem* Lists.

## APPENDIX (E.)

### EXPORTS.—*AD VALOREM* LIST OF DUTIABLE ARTICLI

1. Apparel.
2. Bangles.
3. Bluestone.
4. Cowbezoar.
5. Cabinet-ware.
6. Dregs of Jingellee oil.
7. Drugs and medicines, of sorts.
8. Dyes, of sorts.
9. Fruits and vegetables, of sorts.
10. Feathers.
11. Hair, Manufactures of.
12. Hemp, Manufactures of.
13. Ivory and Hornwares.
14. Jute, Manufactures of.
15. Lac, of sorts.
16. Metals, Manufactured.
17. Musk.
18. Naval stores.
19. Oils, of sorts.
20. Oilman's stores.
21. Piece Goods, Cotton, of sorts.
22. „ Silk, of sorts.
23. Perfumery.
24. Provisions and confectionery.
25. Seeds, of sorts.
26. Spices, of sorts.
27. Shawls.
28. Shark fins.
29. Timber and wood.
30. Tallow.
31. Wax and wax candles.
32. Woollen Goods, of sorts.

## APPENDIX (F.)

### FREE LIST—EXPORTS.—ARTICLES FREE BY ACT XVIII. OF 1866.

1. Books.
2. Bullion and coin.
3. Coal.
4. Coffee.
5. Cotton wool.
6. Flax.
7. Hemp.
8. Hides and skins, raw.
9. Horses and other living animals.
10. Iron.
11. Jute.
12. Maps, prints, and works of arts.
13. Precious stones and pearls.
14. Raw silk and silk chussum.
15. Rum.
16. Spirits.
17. Sugar.
18. Tea.
19. Teak timber.
20. Tobacco and all preparations thereof.
21. Wool.

*Petty Articles in former Tariff recommended by the Committee for Free List.*

1. Arrowroot, common and in canisters.
2. Bale lashings.
3. Bangles, glass, broken.
4. Biscuits { brown. white cabin.
5. Bones.
6. Bran.
7. Brooms.
8. Burroo.
9. Butter.
10. Canvas.
11. Cassia.
12. Cinnabar or vermillion.
13. Cocoanuts.
14. Cowries.
15. Cow tails, black.
16. „ white.
17. Flour.
18. „ Soojee.
19. Gum, Babool.
20. Hookha bottoms.

APPENDIX (F.)—FREE LIST—EXPORTS.—Articles Free by Act XVIII. of 1866—*cont^d.*

*Petty Articles in former Tariff recommended by the Committee for Free List*—continued.

21. Omlah.
22. Rags.
23. Red lead, Sindoor.
24. Suet.
25. Talc, Bengal.
26. „ Ghatty.
27. Tallow candles.
28. Tin.
29. Varnish.

*Petty Articles paying* ad valorem *Duties recommended by the Committee for Free List.*

1. Arms and ammunition.
2. Badloo and Sappoo.
3. Bamboos and blinds.
4. Boots and shoes.
5. Billiard tables.
6. Carpets and Carpeting.
7. Coonkoo or pinjur.
8. Coova, red.
9. Cotton wool.
10. Carriages.
11. Carriage furniture.
12. Corks.
13. Earth or petroleum oil.
14. Fishing rods.
15. Fans.
16. Fireworks.
17. Glass ware.
18. Granite slabs.
19. Grinding stones.
20. Goolall powder.
21. Guano.
22. Instruments, engineering.
23. „ mathematical.
24. „ musical.
25. „ optical.
26. „ philosophical.
27. „ surgical.
28. Jewellery.
29. Leather.
30. Lemonade.
31. Lacquered ware.
32. Mats.
33. Molasses and jaggery, of sorts.
34. Machinery.
35. Metals, of sorts.
36. Malt liquor.
37. Marble slabs.
38. Military appointments.
39. Oil cake.
40. Oil cloth.
41. Old cloth bags.
42. Paints and colours, of sorts.
43. Pipes, staves, and casks.
44. Pictures and portraits.
45. Porcelain and earthenware.
46. Printing presses.
47. „ types.
48. Reeds.
49. Rattans.
50. Saddlery.
51. Stationery.
52. Snuff.
53. Toys.
54. Tortoise shell.
55. Trunks and boxes.
56. Umbrellas.
57. Vinegar.
58. Varnish.
59. Wooden ware.

All other Articles not enumerated in Tariff or *ad valorem* Lists.

## APPENDIX (G.)

## CLASSIFIED LIST OF ARTICLES OF MERCHANDISE.

| IMPORTS. | | | EXPORTS. | | |
|---|---|---|---|---|---|
| F. | Agricultural implements | Value. | | | |
| | Animals, living, viz.: | | | | |
| F. | Horses | No. and Value. | | | |
| F. | All others | Value. | | | |
| A. V. | Apothecary stores | ,, | | | |
| | Apparel, viz.: | | | Apparel, viz.: | |
| A. V. | Hats and caps | Value. | A. V. | Hats and caps | Value. |
| | Hosiery | ,, | | Hosiery | ,, |
| | Haberdashery and millinery | ,, | | Haberdashery and millinery | ,, |
| | Gold lace and thread | ,, | | Gold lace and thread | ,, |
| | Small wares | ,, | | Small wares | ,, |
| | All other articles made up for wear, except boots and shoes. | ,, | | All other articles made up for wear, except boots and shoes. | ,, |
| | Arms, ammunition, and military stores, viz.: | | F. | Arms, ammunition, and military stores. | |
| | Gunpowder | Lbs. and Value. | | | |
| | Shot and shell of iron | Cwt. and Value. | | | |
| | ,, ,, of lead | ,, | | | |
| | Fire-arms, large, cannons, mortars, &c. | Value. | | | |
| | ,, small, muskets, rifles, pistols, &c. | ,, | | | |
| T. and A. V. | Appurtenances and parts of ditto, ditto | ,, | | | |
| | Flints for fire-arms | No. and Value. | | | |
| | Military accoutrements and uniforms dutiable. | ,, | | | |
| | Percussion caps | ,, | | | |
| | All other military stores not elsewhere described. | Value. | | | |
| | Art, works of, viz.: | | F. | Arts, works of | Value. |
| F. | Pictures, prints, and engravings | Value. | | | |
| | Statuary | ,, | | | |
| | All other kinds | ,, | | | |
| A. V. | Bats and balls | ,, | A. V. | Bangles | Value. |
| A. V. | Billiard tables | ,, | A. V. | Blue stone | ,, |
| T. | Blacking | ,, | | | |
| F. | Books, printed, and printed matter | ,, | F. | Books, printed, and printed matter | ,, |
| | Bottles: | | | Borax: | |
| F. | Pints and quarts | Gross and Value. | T. | Crude | Cwt. and Value. |
| | Soda-water | ,, | | Refined or tincal | ,, |
| | All other sorts | ,, | | | |
| F. | Bricks and tiles | No. and Value. | | | |
| A. V. | Brushes | Value. | | | |
| A. V. | Cabinet ware | ,, | A. V. | Cabinet ware | Value. |
| T. | Candles of all kinds | Cwt. and Value. | | | |
| | Canes, viz.: | | | Canes, viz.: | |
| T. and A. V. | Malacca | Value. | F. | Bamboo | ,, |
| | Rattans | ,, | | Rattans | ,, |
| | All other kinds | ,, | | Sticks of all other kinds | ,, |
| T. | Canvas coovet | Bolts and Value. | | | |
| A. V. | Cards, playing, and dice | Value. | | | |
| | Carpets and carpeting | ,, | | | |
| | Carriages and conveyances other than railway: | | | Carriages and conveyances other than railway: | |
| A. V. | Complete | Value. | F. | Complete | Value. |
| A. V. | Parts of ditto, including coach-builders' materials not otherwise described. | ,, | | Parts of ditto, including coach-builders' materials. | ,, |
| T. | Casks | Each and Value. | | | |
| A. V. | Casks and barrels made up or in shooks | Value. | | | |
| | All other varieties of coopers' ware | ,, | | | |
| | Catechu, cutch or cauth | Cwt. and Value. | T. | Catechu, cutch or cauth | Cwt. and Value. |
| F. | Cements for building and engineering purposes. | ,, | | | |
| F. | Chalk and lime | ,, | E. | Coffee | Lbs. and Value. |
| A. V. | China and japan wares not otherwise enumerated. | Value. | | | |
| F. | Church furniture | ,, | | | |
| A. V. | Chemicals | ,, | | | |
| | Clay and articles of, used for building and engineering purposes, except bricks: | | | | |
| F. | Fire clay | Cwt. and Value. | | | |
| | All others | Value. | | | |

APPENDIX (G.)—CLASSIFIED LIST OF ARTICLES OF MERCHANDISE—*continued.*

| IMPORTS. | | | EXPORTS. | | |
|---|---|---|---|---|---|
| | Clocks and Watches, viz.: | | | | |
| | Clocks | Value. | | | |
| A. V. | „ turret for churches | „ | | | |
| A. V. | Chronometers, ship's and other | „ | | | |
| | Parts of ditto - ditto | „ | | | |
| | Watches | No. and Value. | | | |
| A. V. | Coach builders' materials | Value. | | | |
| F. | Coffee | Cwt. and Value. | | | |
| T. | Coir rope, Maldive and Laccadive | No. and Value. | | Coir cables, tarred and untarred | Cwt. and Value. |
| T. | Cables | Cwt. and Value. | T. | Rope and yarn | „ |
| T. | Yarn | „ | | Loose or fibre | „ |
| A. V. | Manufactures of | „ | | | |
| A. V. | Coral, unwrought | Value. | A. V. | Confectionery | Value. |
| T. | Corks | Gross and Value. | F. | Corks | Gross and Value. |
| | Cotton, Manufactures of, viz.: | | | Cotton, Manufactures of, viz.: | |
| | Piece Goods: | | | Piece Goods: | |
| | Grey: | | | Country, plain | Yds. and Value. |
| T. | Shirtings | Lbs. and Value. | A. V. | „ embroidered or ornamented. | „ |
| T. | Long cloths | „ | | „ colored or printed | „ |
| T. | T. cloths | „ | | | |
| T. | Domestics | „ | | | |
| T. | Printers | „ | | | |
| A. V. | Cambrics | Yds. and Value. | | | |
| T. | Madapollams | Lbs. and Value. | | | |
| A. V. | Jaconets | Yds. and Value. | | | |
| A. V. | Mulls | „ | | | |
| T. | Drills | Lbs. and Value. | | | |
| A. V. | Dhooties | Prs. and Value. | F. | Cotton Wool | Lbs. and Value. |
| A. V. | All other sorts | Value. | | | |
| T. | Jeans | Lbs. and Value. | | | |
| T. | Sheetings | „ | | | |
| | White: | | | | |
| | Shirtings and long cloths | Yds. and Value. | | | |
| | Striped and figured shirtings | „ | | | |
| | Brocades | „ | | | |
| | Twilled | „ | | | |
| | Cambrics | „ | | | |
| | Drills | „ | | | |
| | Madapollams | „ | | | |
| | Jaconets | „ | | | |
| | Mulls | „ | | | |
| | Muslins, book | „ | | | |
| | „ checked and striped | „ | | | |
| | Lappets | „ | | | |
| | Lenoes | „ | | | |
| | Lawns, Victoria, Scotch and other | „ | | | |
| | Dhooties | Prs. and Value. | | | |
| | Sarries | „ | | | |
| | Scarfs and chudders | „ | | | |
| | Nets and gauze | Yds. and Value. | | | |
| | Dresses and garments | „ | | | |
| | Handkerchiefs | Doz. and Value. | | | |
| | Shawls | „ | | | |
| | All other sorts | Value. | | | |
| | American: | | | | |
| | Drills | Yds. and Value. | | | |
| | Duck | „ | | | |
| | Jean | „ | | | |
| | Sheeting | „ | | | |
| | Flannel | „ | | | |
| | Other sorts | „ | | | |
| | Coloured and Printed: | | | | |
| | Dyed cambrics | „ | | | |
| | „ shirtings | „ | | | |
| | „ jaconets | „ | | | |
| | „ mulls | „ | | | |
| | „ lappets | „ | | | |
| | „ velvets | „ | | | |
| | „ other sorts | Value. | | | |
| | Printed cambrics | Yds. and Value. | | | |
| | „ shirtings | „ | | | |
| | „ jaconets | „ | | | |
| | „ mulls | „ | | | |
| | „ muslins | „ | | | |
| | „ sarries | Prs. and Value. | | | |
| | „ handkerchiefs | Doz. and Value. | | | |
| | „ shawls | „ | | | |
| | „ other sorts | Value. | | | |
| | Ginghams | Yds. and Value. | | | |
| | Tickens | „ | | | |

APPENDIX (G.)—CLASSIFIED LIST OF ARTICLES OF MERCHANDISE—*continued.*

| IMPORTS. | | EXPORTS. | |
|---|---|---|---|
| **Cotton, Manufactures of—*continued.*** | | | |
| Piece Goods—*continued.* | | | |
| Turkey Red: | | | |
| Cambrics | Yds. and Value. | | |
| Shirtings | ,, | | |
| Twills and spots | ,, | | |
| Brocades | ,, | | |
| Jaconets | ,, | | |
| Printed | ,, | | |
| Mulls, striped | ,, | | |
| ,, printed | ,, | | |
| Lappets | ,, | | |
| Prints and chintz | ,, | | |
| Sarries | Prs. and Value. | | |
| Scarfs | ,, | | |
| Handkerchiefs | Doz. and Value. | | |
| Velvets | Yds. and Value. | | |
| ,, printed | ,, | | |
| All other sorts | Value. | | |
| Thread in balls | Lbs. and Value. | | |
| ,, spools | ,, | | |
| ,, other forms | ,, | | |
| Cotton rope | Value. | | |
| Twist: | | | |
| Plain | Lbs. and Value. | | |
| Mule No. under 15 | ,, | | |
| ,, 16 to 24 | ,, | | |
| ,, 25 to 32 | ,, | | |
| ,, 33 to 42 | ,, | | |
| ,, 43 to 52 | ,, | | |
| ,, 53 to 60 | ,, | | |
| ,, 70 | ,, | | |
| ,, 80 | ,, | | |
| ,, 90 | ,, | | |
| ,, 100 | ,, | | |
| ,, 110 to 150 | ,, | | |
| ,, 160 to 200 | ,, | | |
| Water | ,, | | |
| No. 20 | ,, | | |
| ,, 30 | ,, | | |
| ,, 40 | ,, | | |
| ,, 50 | ,, | | |
| Above 50 | ,, | | |
| Coloured: | | | |
| Turkey red, all kinds | Lbs. and Value. | | |
| Imperial red | ,, | | |
| Orange and yellow | ,, | | |
| Green | ,, | | |
| All other kinds | ,, | | |
| Cotton wool | — | A. V. | Cow bezoar — Value. |
| Crockery ware | — | | |
| Cuppas mat bags | — | | |
| **Drugs and Medicines, viz.:** | | | **Drugs and Medicines:** |
| Aloes | Cwt. and Value. | T. | Orris root — Cwt. and Valt |
| Alkali | ,, | A. V. | All other kinds — Value. |
| Alum | ,, | | |
| Arsenic | Cwt. and Value. | | |
| Assafœtida, Hing and Hingra | Lbs. and Value. | | |
| Brimstone, flower | Cwt. and Value. | | |
| ,, roll, refine | ,, | | |
| ,, rough | ,, | | |
| Camphor, crude | ,, | | |
| ,, refined cake | ,, | | |
| ,, Malayan or Bhimsing | Lbs. and Value. | | |
| Cassia Lignea | Value. | | |
| Copperas | Cwt. and Value. | | |
| Coova, red | Value. | | |
| Galangal | Cwt. and Value. | | |
| Quinine | Oz. and Value. | | |
| Salamoniac | Cwt. and Value. | | |
| Salep | ,, | | |
| Senna leaf | ,, | | |
| Sulphuric acid | Lbs. and Value. | | |
| Waters, medicated and ærated | Gals. and Value. | | |
| All other kinds not elsewhere described | Value. | | |
| **Dyeing and Colouring Materials, viz.:** | | | **Dyeing and Colouring Materials, viz.:** |
| Cochineal | Cwt. and Value. | | |
| Galls | ,, | T. or A. V. | Indigo — Cwt. and Valt |
| Gamboge wood | ,, | | Myrabolams — ,, |
| | | | Red wood — ,, |

APPENDIX (G.)—CLASSIFIED LIST OF ARTICLES OF MERCHANDISE—*continued.*

| IMPORTS. | | | EXPORTS. | | |
|---|---|---|---|---|---|
| | Dyeing and Colouring Materials, viz.—*continued.* | | | Dyeing and Colouring Materials, viz.—*continued.* | |
| | Munjeet or madder | Cwt. and Value. | T. and A. V. | Safflower | Cwt. and Value. |
| | Archilla | ,, | | Sapan wood | ,, |
| | Quercitron bark | ,, | | All other sorts unenumerated | Value. |
| T. or A. V. | Roseine and other colouring substances from coal tar. | Oz. and Value. | | | |
| | Red or sanders wood | Cwt. and Value. | | | |
| | Saffron | ,, | | | |
| | Sapan wood | ,, | | | |
| | All other sorts unenumerated | ,, | | | |
| A. V. | Earthen and porcelain ware | Value. | | | |
| T. | Felt sheathing | No. and Value. | A. V. | Feathers, of sorts | Value. |
| T. | ,, in rolls or length | Yds. and Value. | | | |
| A. V. | Fans | Value. | | | |
| A. V. | Fireworks, other sorts | ,, | | | |
| A. V. | Fishing tackle | ,, | | | |
| F. | Flax | Cwt. and Value. | | | |
| | Flax, Manufactures of, viz.: | | F. | Flax | Cwt. and Value. |
| | Piece Goods: | | | | |
| | Linen | Yds. and Value. | | | |
| | ,, ducks and drills | ,, | | | |
| | ,, cambrics | ,, | | | |
| | ,, handkerchiefs | Doz. and Value. | | | |
| A. V. | Holland | Yds. and Value. | | | |
| | Huckaback | ,, | | | |
| | Other varieties of piece goods | ,, | | | |
| | Thread | Lbs. and Value. | | | |
| | All other sorts | Value. | | | |
| | Fruits and Vegetables, viz.: | | | Fruits and Vegetables, viz.: | |
| | Almonds | Cwt. and Value. | T. | Tamarind | Cwt. and Value. |
| | Currants | ,, | A. V. | All other kinds unenumerated | ,, |
| | Dates, wet | ,, | | | |
| | ,, dry | ,, | | | |
| | Figs | ,, | | | |
| | Pistachio and other nuts | ,, | | | |
| T. and A. V. | Prunes and plums | ,, | | | |
| | Raisins | ,, | | | |
| | All other kinds unenumerated and not included under oilman's stores. | ,, | | | |
| | Cajoo | ,, | | | |
| | Cocoanuts | No. and Value. | | | |
| | ,, kernel (Copra) | Cwt. and Value. | | | |
| | ,, nut shells | No. and Value. | | | |
| | Fuel, viz.: | | | Fuel, viz.: | |
| | Coal | Cwt. and Value. | F. | Coal | Cwt. and Value. |
| F. | Coke | ,, | | | |
| | Firewood | Value. | | | |
| | Gas making materials | ,, | | | |
| | Glass, and Manufactures of: | | | | |
| | Glass: | | | | |
| | Broken | Cwt. and Value. | | | |
| | Crown, coloured | Sl. ft. and Value | | | |
| | ,, ,, of sizes | Ft. and Value. | | | |
| T. | Plate, not silvered | ,, | | | |
| and | Silvered, including mirrors framed | Value. | | | |
| A. V. | Coloured | Sl. ft. and Value. | | | |
| | All other kinds in sheets | ,, | | | |
| | China | Lbs. and Value. | | | |
| | Phials | No. and Value. | | | |
| T. | Bangles | Prs. and Value. | | | |
| | Beads: | | | | |
| | Common, white and coloured | Cwt. and Value. | | | |
| | Seed | ,, | | | |
| T. | Ruby | ,, | | | |
| | Scarlet and red | ,, | | | |
| | False pearls | Value. | | | |
| | Other sorts | ,, | | | |
| A. V. | Ware | ,, | | | |
| F. | Glue | Cwt. and Value. | | | |
| A. V. | Gowla | Value. | | | |
| A. V. | Grass cloth | ,, | | | |
| | Grain and Pulse, viz.: | | | Grain and Pulse, viz.: | |
| | Bazree | Cwt. and Value. | | Bazree | Cwt. and Value. |
| | Paddy | ,, | | Paddy | ,, |
| | Rice | ,, | | Rice | ,, |
| F. | Wheat | ,, | Special Duties. | Wheat | ,, |
| | Barley | ,, | | Barley | ,, |
| | Dholl and peas | ,, | | Dholl and peas | ,, |
| | Gram | ,, | | Gram | ,, |
| | Jowaree | ,, | | Jowaree | ,, |

APPENDIX (G.)—CLASSIFIED LIST OF ARTICLES OF MERCHANDISE—*continued.*

| IMPORTS. | | | EXPORTS. | | |
|---|---|---|---|---|---|
| | Grain and Pulse, viz.—*continued.* | | | Grain and Pulse, viz.—*continued.* | |
| F. | Moog | Cwt. and Value | Special Duties. | Moog | Cwt. and Value. |
| F. | Mutt | ,, | Special Duties. | Mutt | ,, |
| F. | Oats | ,, | Special Duties. | Oats | ,, |
| F. | Urreed | ,, | Special Duties. | Urreed. | ,, |
| F. | All other varieties | ,, | Special Duties. | All other varieties of grain and pulse. | ,, |
| T. | Grease and tallow | ,, | | | |
| F. | Guano and manures of all kinds | ,, | | | |
| | Gums, viz.: | | | Gums, viz.: | |
| T. and A. V. | Arabic | Cwt. and Value. | F. | Babool | Cwt. and Value. |
| T. and A. V. | Benzoin | ,, | F. | All other sorts | ,, |
| T. and A. V. | Copal | ,, | | | |
| T. and A. V. | Olibanum | ,, | | | |
| T. and A. V. | Rosin | ,, | | | |
| T. and A. V. | All other sorts | Value. | | | |
| A. V. | Gunnies and gunny bags | ,, | | | |
| F. | Horse hair | Cwt. and Value | F. | Hair: | |
| A. V. | ,, manufactures of | Value. | A. V. | Hair, manufactures of | Value. |
| F. | Hemp | Cwt. and Value. | F. | Hemp | Cwt. and Value. |
| | Hemp, Manufactures of, viz.: | | | Hemp, Manufactures of, viz.: | |
| T. and A. V. | Cordage, Europe | No. and Value. | T. A. V. | Twine | Cwt. and Value. |
| T. and A. V. | ,, Manilla | ,, | T. A. V. | Other sorts | Value. |
| T. and A. V. | Twine | ,, | | | |
| T. and A. V. | Other sorts | Value. | | | |
| | Hides and Skins: | | | Hides and skins, tanned | Pcs. and Value. |
| | Hides: | | | Buffalo | ,, |
| T. and A. V. | All other sorts | No. and Value. | T. | Cow | ,, |
| T. and A. V. | Rhinoceros | ,, | T. | Goat and sheep | ,, |
| T. and A. V. | Border | ,, | T. | Lamb | ,, |
| T. and A. V. | Buffalo, country, tanned | ,, | F. | Raw, of sorts | ,, |
| T. and A. V. | Cow - ditto - ditto | ,, | | | |
| T. and A. V. | Calf skins | ,, | | | |
| T. and A. V. | Chamois | ,, | | | |
| T. and A. V. | Skins: All other sorts | ,, | | | |
| | Horns: | | | Horns: | |
| T. | Manufactures of | Cwt. and Value. | T. | Buffalo | Cwt. and Value. |
| T. | Buffalo | ,, | T. | Cow | ,, |
| T. A. V. | Stag | ,, | T. | Deer and stag | ,, |
| A. V. | Manufactures of | Value. | T. | Tips | ,, |
| | | | T. | Other sorts | Value. |
| | | | A. V. | Ware | ,, |
| F. | Ice | Cwt. and Value. | | | |
| A. V. | India rubber | Value. | | India Rubber: | |
| A. V. | ,, manufactures of | ,, | T. | Crude or caoutchouc | Cwt. and Value. |
| A. V. | Instruments and apparatus, musical, scientific and philosophical, of all sorts, not otherwise described. | ,, | | | |
| | | | | Iron | ,, |
| | Ivory: | | | Ivory: | |
| T. and A. V. | Elephants' grinders | Cwt. and Value. | T. | Elephants' tusks | Cwt. and Value. |
| T. and A. V. | ,, tusks | ,, | T. | ,, teeth | ,, |
| T. and A. V. | Sea Cow teeth | ,, | T. | Other sorts | ,, |
| T. and A. V. | Manufactures of | Value. | A. V. | Ivory ware | Value. |
| A. V. | Japan ware | ,, | | | |
| | Jewellery, including Plate, viz.: | | | Jewellery, including Plate, viz.: | |
| A. V. | Plate of gold | Value. | | Plate | Value. |
| A. V. | ,, of silver | ,, | F. | Jewellery of gold or of silver, or of precious stones, set in gold or silver. | ,, |
| A. V. | Jewellery of gold or silver | ,, | F. | All other kinds | ,, |
| F. | Precious stones set in jewellery | ,, | | | |
| F. | Jute | Cwt. and Value. | F. | Jute | Cwt. and Value. |
| A. V. | ,, manufactures of | Value. | | Jute, Manufactures of: | |
| | | | T. | Gunny bags | No. and Value. |
| | | | T. | ,, cloth | ,, |
| | | | T. | Rope | Cwt. and Value. |
| | | | T. | Twine | ,, |
| | | | A. V. | Goods, of sorts | Value. |
| | Lac: | | | Lac: | |
| T. | Shell | Cwt. and Value | | Button | Cwt. and Value. |
| T. | Stick | ,, | | Dye | ,, |
| A. V. | Lacquered ware | Value. | T. | Seed | ,, |
| A. V. | Leather | ,, | T. | Shell | ,, |
| A. V. | ,, manufactures of | ,, | T. | Stick | ,, |
| A. V. | Boots and shoes | ,, | A. V. | Other sorts | Value. |
| A. V. | Harness and saddlery | ,, | F. | Leather, manufactures of | ,, |
| A. V. | All other sorts unenumerated | ,, | | | |

APPENDIX (G.)—CLASSIFIED LIST OF ARTICLES OF MERCHANDISE—*continued.*

| IMPORTS. | | | EXPORTS. | | |
|---|---|---|---|---|---|
| | Liquors: | | | | |
| Special Duty. | Ale, beer, and porter | Gals. and Value. | | | |
| | Cider, and other similar fermented liquors. | ,, | | | |
| | Wines and Liqueurs, viz.: | | | | |
| | Champagne | Gals. and Value. | | | |
| | Claret | ,, | | | |
| | Hock | ,, | | | |
| | Marsala | ,, | | | |
| | Moselle | ,, | | | |
| | Port | ,, | | | |
| | Sherry | ,, | | | |
| | All other foreign wines | ,, | | | |
| | Curacoa | ,, | | | |
| | Maraschino | ,, | | | |
| | Noyeau | ,, | | | |
| | All other foreign liqueurs | ,, | | | |
| | Ginger wine or cordial | ,, | | | |
| | Orange wine or cordial | ,, | | | |
| | All other kinds of British made wines, cordials, and liqueurs. | ,, | | | |
| | Spirits: | | | | |
| | Brandy | Gals. and Value. | | | |
| | Gin; old tom, and hollands | ,, | | | |
| | Whiskey | ,, | | | |
| | All other kinds | ,, | | | |
| A. V. | Lucifers and Matches | Value. | | | |
| | Machines and Machinery, and parts of them, for purposes of— | | | | |
| F. | Agriculture | Value. | | | |
| | Manufacture | ,, | | | |
| | Mining | ,, | | | |
| | Navigation | ,, | | | |
| | Railway | ,, | | | |
| A. V. | Machines and Machinery, not exempted from Duty. | ,, | | | |
| F. | Maps and Charts | ,, | F. | Maps and charts | Value. |
| T. | Mats, China | No. and Value. | | | |
| A. V. | Medical Stores | Value. | | | |
| | Metals: | | | | |
| | Iron: | | | | |
| | Cast: | | | | |
| | Pig | Cwt. and Value. | | | |
| | All other shapes | ,, | | | |
| | Wrought, but not Manufactured: | | | | |
| | Bar, bolt, rod, nail rod, including Scotch, and imitation Swedish. | ,, | | | |
| | Half-round, oval, angle, T., and other shapes. | ,, | | | |
| | Hoop | ,, | | | |
| | Sheet and plate | ,, | | | |
| | Swedish | ,, | | | |
| | Galvanized, of all sorts, wire excepted. | ,, | | | |
| | All other sorts | ,, | | | |
| | Manufactured: | | | | |
| F. | Anchors, wholly or partly of iron | ,, | | | |
| F. | Cables | ,, | | | |
| | Chains, including rigging ditto | ,, | | | |
| | Nails, screws, rivets, nuts, and bolts | ,, | | | |
| | Tubes and pipes | ,, | | | |
| T. and A. V. | Wire, not galvanised, and not for telegraphic purposes. | ,, | | | |
| | Hard-ware, viz.: | | | | |
| | 1. Rice bowls | No. and Value. | | | |
| | 2. All other kinds | ,, | | | |
| F. | Kentledge: | | | | |
| | Old, for re-manufacture | Cwt. and Value. | | | |
| | Steel: | | | | |
| | In Ingots and Bars: | | | | |
| | Swedish | Cwt. and Value. | | | |
| | Cast | ,, | | | |
| | Other sorts | ,, | | | |
| | Manufactured: | | | | |
| | Cutlery, including all industrial edge tools and implements, except agricultural. | Value. | | | |
| | Copper: | | | | |
| | Cast: | | | | |
| | Tiles, ingots, cakes, and other shapes | Cwt. and Value. | | | |
| | Wrought, but not Manufactured: | | | | |
| | Sheet, sheathing, plate, and braziers | ,, | | | |
| | Rod, bolt, and bar | ,, | | | |

APPENDIX (G.)—CLASSIFIED LIST OF ARTICLES OF MERCHANDISE—*continued.*

| IMPORTS. | | | EXPORTS. | | |
|---|---|---|---|---|---|
| | Metals—*continued.* | | | | |
| | Copper—*continued.* | | | | |
| | Manufactured, viz.: | | | | |
| | Nails and rivets | Cwt. and Value. | | | |
| | Tubes and pipes | ,, | | | |
| | Ware | ,, | | | |
| | Wire | ,, | | | |
| | All other sorts | ,, | | | |
| | Old, including old coin for re-manufacture. | ,, | | | |
| | All other sorts | ,, | | | |
| | Manufactures of, with other Metals, viz.: | | | | |
| T. and A. V. | Brass, in leaf and thin sheets, and orsidue. | ,, | | | |
| | Brass ware | ,, | | | |
| | ,, wire | ,, | | | |
| | ,, old, for re-manufacture | ,, | | | |
| | China, white-ware | ,, | | | |
| | ,, cash | ,, | | | |
| | Composition, Yellow or Patent Metal, viz.: | | | | |
| | Sheet | ,, | | | |
| | Nails | ,, | | | |
| | Old, for re-manufacture | ,, | | | |
| | All other kinds | ,, | | | |
| | Spelter or Zinc, viz.: | | | | |
| | Cast: | | | | |
| | Plate, cake, and other shapes | Cwt. and Value. | | | |
| | Wrought, but not Manufactured: | | | | |
| | Sheet | ,, | | | |
| | Manufactured, viz.: | | | | |
| | Nails | ,, | | | |
| | All other sorts | ,, | | | |
| | Tin: | | | | |
| | Cast: | | | | |
| | Slabs and other shapes | ,, | | | |
| | Wrought, but not Manufactured: | | | | |
| | Plates | Boxes & Value. | | | |
| | Manufactured: | | | | |
| T. and A. V. | Ware, and other manufactures of tin | Value. | | | |
| | Quicksilver | Lbs. and Value. | | | |
| | Lead: | | | | |
| | Cast: | | | | |
| | Pig, and other shapes | Cwt. and Value. | | | |
| | Wrought, but not Manufactured: | | | | |
| | Rolled and sheet | ,, | | | |
| | Tea, and thin sheets for tea packages | ,, | | | |
| | Manufactured, viz.: | | | | |
| | Pipes and tubes | ,, | | | |
| | All other articles | ,, | | | |
| | Composition: | | | | |
| | Articles of pewter | ,, | | | |
| | ,, Britannia metal | ,, | | | |
| | ,, all other sorts | ,, | | | |
| A. V. | Manufactures of German silver, of electro-plate, and of plated-ware, of sorts. | ,, | | | |
| A. V. | Manufactures of lamps, chandeliers, candelabra, gas-fittings, and other hollow-ware. | ,, | | | |
| A. V. | Scales and weights, including all apparatus for weighing, complete and incomplete | Value. | | | |
| A. V. | All others unenumerated | ,, | | | |
| F. | Military and other regulation uniforms and accoutrements, imported for private use by persons in the public service. | ,, | F. | Mats | Value. |
| | | | A. V. | Metals, Manufactures of | ,, |
| A. V. | Music, instruments of | ,, | A. V. | Musk | Oz. and Value. |
| A. V. | Naval stores | ,, | A. V. | Naval stores | Value. |
| A. V. | Nuckla | ,, | | | |
| | Oils: | | | Oils: | |
| | Animal, viz.: | | | Animal: | |
| | Whale, fish, and sperm | Gals. and Value | | Fish | Cwt. and Value. |
| | Neat's foot | ,, | | | |
| | Cod liver | Value. | | | |
| T. and A. V. | Other kinds | ,, | T. and A. V. | Vegetable, but not Essential: | |
| | Vegetable, but not Essential: | | | Castor | ,, |
| | Castor | Doz. and Value. | | Cocoanut | ,, |
| | Sorrel | Cwt. and Value. | | Jingely or teel | ,, |
| | Turpentine | Gals. and Value | | Linseed | ,, |
| | Wood | Cwt. and Value. | | Mhowa | ,, |

APPENDIX (G.)—CLASSIFIED LIST OF ARTICLES OF MERCHANDISE—*continued.*

| IMPORTS. | | | EXPORTS. | | |
|---|---|---|---|---|---|
| | **Oils—*continued.*** | | | **Oils—*continued.*** | |
| | Essential, viz.: | | | Vegetable, but not Essential—*continued.* | |
| | Cassia and cinnamon | Lbs. and Value. | | Mustard | Cwt. and Value. |
| | Camphor | ,, | | Poppy | ,, |
| | Grass | ,, | | Rape or Sursee | ,, |
| | Kyaputti | Gals. and Value. | | Other kinds | Value. |
| | Sandalwood | Lbs. and Value. | | | |
| | Utter of rose | Oz. and Value. | T. and A. V. | Essential, viz.: | |
| T. and A. V. | Utter, other sorts | Value. | | Grass | Lbs. and Value. |
| | Other kinds | ,, | | Sandalwood | ,, |
| | Mineral, viz.: | | | Utter, other sorts | Oz. and Value. |
| | Earth | Cwt. and Value. | | Other kinds | Value. |
| | Kerosine | Gals. and Value. | | | |
| | Benzole | ,, | | Mineral, viz.: | |
| | Naphtha | Cwt. and Value. | | Earth or Petroleum | Gals. and Value. |
| | Petroleum | ,, | | | |
| A. V. | Oil cloth | Value. | A. V. | Oilman's stores | Value. |
| | **Paper:** | | | | |
| T. | Coloured, stained, or gilt | Value. | | | |
| Free | Sheathing, brown, or other for packing | ,, | | | |
| | Writing and printing | ,, | | | |
| | Other sorts | ,, | | | |
| | **Paints, Colours, and Painters' Materials, viz.:** | | | | |
| T. | Prussian blue, China | Cwt. and Value. | | | |
| | ,, ,, European | ,, | | | |
| T. | Vermillion, Canton | Boxes & Value. | | | |
| | ,, Macao | ,, | | | |
| | Verdigris | Cwt. and Value. | | | |
| | Ultramarine | ,, | | | |
| T. | Ochre | ,, | | | |
| T. | Red lead | ,, | | | |
| T. | White lead | ,, | | | |
| T. and A. V. | Dry colours of all other sorts | ,, | | | |
| T. | Paints, of sorts | ,, | | | |
| | Varnish, of sorts | Gals. and Value. | | | |
| | Spirits, methylated, or mixed with any substance so as to be fit for manufacturing or chemical purposes only. | ,, | | | |
| | Linseed oil, boiled | ,, | | | |
| T. | Turpentine | ,, | | | |
| | Painters' materials of all other descriptions, not enumerated. | Value. | | | |
| A. V. | Papier mâché ware | ,, | | | |
| | **Perfumery:** | | A. V. | Perfumery | Value. |
| | Atary | Cwt. and Value. | | | |
| T. | Rose water | Gals. and Value | | | |
| and | Rose flowers | Value. | | | |
| A. V. | All other sorts | ,, | | | |
| | Musk | Oz. and Value. | | | |
| V. | Photographic materials and apparatus | Value. | | | |
| A. V. | Picture frames, gilt borders, and beading | ,, | | | |
| | **Pitch, Tar, Dammer, and Asphalt:** | | | | |
| | F. Asphalt | Cwt. and Value. | | | |
| | Dammer | ,, | | | |
| T. | Pitch, coal | Brls. and Value. | | | |
| and | Other sorts | ,, | | | |
| A. V. | Tar, coal | ,, | | | |
| | ,, American | ,, | | | |
| | ,, Swedish and Archangel | ,, | | | |
| F. | Plants, living | Value. | | | |
| | **Precious Stones and Pearls, Unset:** | | F. | Precious stones and pearls, unset | Value. |
| | Pearls | Value. | | | |
| E. | Other | ,, | | | |
| | **Printing and Lithographing:** | | | | |
| F. | Types, machines, and other apparatus for | Value. | | | |
| | **Provisions and Oilman's Stores:** | | | **Provisions and Oilman's Stores:** | |
| | Bacon and hams | Cwt. and Value. | | T. Fish maws | Cwt. and Value. |
| | Beef and pork | Brls. and Value. | | T. Ghee | ,, |
| | F. Bran | Cwt. and Value. | T. and A. V. | T. Hogs lard | ,, |
| T. | Biscuit and bread | ,, | | Shark fins | Value. |
| and | F. Butter | ,, | | All other kinds not otherwise specified. | ,, |
| A. V. | Cheese | ,, | | | |
| | Cocoa and chocolate | ,, | | | |
| | F. Fish, dried and salted | Value. | | | |
| | Fish-maws and shark fins | ,, | | | |

APPENDIX (G.)—CLASSIFIED LIST OF ARTICLES OF MERCHANDISE—*continued.*

| IMPORTS. | | | EXPORTS. | | |
|---|---|---|---|---|---|
| | **Provisions and Oilman's Stores—*continued.*** | | | | |
| | Flour | Value. | | | |
| | Ghee | Cwt. and Value. | | | |
| | Honey | Value. | | | |
| | Macaroni and vermicelli | „ | | | |
| | Oilman's stores, assorted | „ | | | |
| | Prunes | „ | | | |
| T. | Raisins | „ | | | |
| and | Sago | „ | | | |
| A. V. | Suet | „ | | | |
| | Tapioca | „ | | | |
| | Tongues | „ | | | |
| | Vermicelli | „ | | | |
| | Vinegar | Gals. and Value. | | | |
| | „ country | „ | | | |
| | All other kinds not otherwise specified | Value. | | | |
| | Preserves, China, and other sorts | „ | | | |
| | **Railway Materials and Stores:** | | F. | Rags | Cwt. and Value. |
| | Locomotives, Tenders, and other Machinery (*See* Machinery). | | | | |
| A. V. | Carriages and parts of carriages | Value. | | | |
| | Rails, sleepers, and all other materials for permanent way. | „ | | | |
| A. V. | Saddlery | Value. | | | |
| Spl. Duty | Salt | Cwt. and Value. | | | |
| A. V. | Saltpetre | „ | F. | Saltpetre | Cwt. and Value. |
| F. | Seeds for gratuitous distribution | Value. | F. | „ refuse | „ |
| | | | A. V. | Sealing wax | „ |
| | **Seeds, viz.:** | | | **Seeds, viz.:** | |
| | Anise | Cwt. and Value. | | Oil: | |
| | „ Star | „ | | Castor | — |
| | Bedannah or quince | „ | | Ground nuts | — |
| T. | Cummin | „ | | Jingely or teel | — |
| and | Garden and field and bulbs, not imported for gratuitous distribution by a public society. | Value. | | Linseed | Cwt. and Value. |
| A. V. | | | | Methee | — |
| | | | T. | Mustard | Cwt. and Value. |
| | Indigo | Cwt. and Value. | and | Poppy | „ |
| | All other sorts | Value. | A. V. | Rape or sursee | — |
| A. V. | Shawls | Doz. and Value. | | Other kinds | — |
| | **Shells, viz.:** | | | Essential: | |
| | Chanks | No. and Value. | | Coriander | Cwt. and Value. |
| | Cowdas | „ | | Cummin | „ |
| T. | Cowries | Cwt. and Value. | | All other sorts | Value. |
| and | Mother-o'-Pearl | „ | F. | Shells and Cowries | Cwt. and Value. |
| A. V. | Tortoise and turtle | Lbs. and Value. | | | |
| | Nuckla | Cwt. and Value. | | | |
| | All other sorts | Value. | | | |
| | **Ships:** | | | | |
| | Parts of, and materials for repairing and building ships and boats, not otherwise described. | Value. | | | |
| A. V. | Iron plates, frame-work, and other parts of steamer (except machinery, see that head). | „ | F. | **Silk:** | |
| F. | Flats and barges to be towed by steamer | „ | | Raw | Cwt. and Value. |
| | | | | Chussum | Value. |
| | **Silk, Manufactures of, viz.:** | | | **Silk, Manufactures of:** | |
| | Silk, floss | Lbs. and Value. | | | |
| | Raw, Charon and Cochin China | „ | T. | | |
| | „ Mathow | „ | and | | |
| T. | „ Other kinds of China | „ | A. V. | | |
| | „ Persian | „ | | | |
| | „ Punjum and Cutchra | „ | | | |
| | „ Siam | „ | | | |
| | „ Sewing Thread, China | „ | | | |
| | **Piece Goods, viz.:** | | | | |
| A. V. | Brocades | Yards & Value. | | | |
| | Camlets | „ | | | |
| | Crape | „ | | | |
| | „ shawls | No. and Value. | | | |
| | Damasks | Yards & Value. | | | |
| A. V. | Gauze | Doz. and Value. | A. V. | Shawls | — |
| | Handkerchiefs | Yards & Value. | | | |
| | Lutestrings | Doz. and Value. | | | |
| | Marselline | Yards & Value. | | | |
| | Satin and Gros-de-Naples, plain | „ | | | |

APPENDIX (G.)—CLASSIFIED LIST OF ARTICLES OF MERCHANDISE—*continued.*

| IMPORTS. | | | EXPORTS. | | |
|---|---|---|---|---|---|
| | Silk, Manufactures of, viz.—*continued.* | | | | |
| | Piece Goods, viz.—*continued.* | | | | |
| | Satin and Gros-de-Naples, figured | Yards & Value. | | | |
| | Sarsenets | ,, | | | |
| | Velvets | ,, | | | |
| A. V. | All others | ,, | | | |
| | Manufactures of Mixed: | | | | |
| | Velvets | ,, | | | |
| | All others | ,, | | | |
| T. and A. V. | Silver-ware | Tolah & Value | | | |
| | Soap | Value. | | Soap: | |
| F. | Soda and seltzer water | ,, | T. | Country | Cwt. and Value. |
| | Specimens illustrative of natural science in any department. | ,, | | Specimens illustrative of natural science in any department. | Value. |
| | Spices, viz.: | | | Spices, viz.: | |
| | Aloe wood | Value. | | Aloe wood | Lbs. and Value. |
| | Betelnut | Cwt. and Value. | | Betelnut in husk | No. and Value. |
| | ,, White sheverdhun | ,, | | Cardamoms | Cwt. and Value. |
| | ,, All other kinds | ,, | T. | ,, Large bastard | ,, |
| | Cardamoms, true | ,, | and | Chillies | ,, |
| | ,, bastard | ,, | A. V. | Ginger, dry | ,, |
| T. | Cassia | ,, | | Pepper | ,, |
| and | Chillies | ,, | | Turmeric | ,, |
| A. V. | Cinnamon | ,, | | All other sorts | Value. |
| | Cloves | ,, | | | |
| | Mace | ,, | | | |
| | Nutmegs | ,, | | | |
| | Pepper, black and long | ,, | | | |
| | ,, White | ,, | | | |
| | All other sorts | Value. | | Spirits: | |
| A. V. | Sponges | ,, | F. | Rum | Gals. and Value. |
| A. V. | Stationery, except paper | ,, | | Other sorts | ,, |
| A. V. | Stone-ware | ,, | F. | Stationery | Value. |
| | Stone and Marble: | | | | |
| | Manufactured: | | | | |
| | Slate | Value. | | | |
| | Stone, viz.: | | | | |
| | Hewn | ,, | | | |
| | For lithographic purposes | ,, | | | |
| A. V. | Grind stones, mill stones, and hones | ,, | | | |
| | All other sorts | ,, | | | |
| | Marble, viz.: | | | | |
| | Sawn into slabs or tiles | ,, | | | |
| | All other sorts, except statuary | ,, | | | |
| | Unmanufactured: | | | | |
| | Stone, viz.: | | | | |
| F. | Ballast and in lumps not hewn | Value. | | | |
| | Marble, viz.: | | | | |
| | In rough blocks or solids | ,, | | | |
| | Sugar and other Saccharine Matter, viz.: | | | Sugar: | |
| T. | Sugar | Cwt. and Value. | F. | Molasses and jaggery | Cwt. and Value. |
| and | Sugar-candy | ,, | | Other saccharine produce | ,, |
| A. V. | Molasses and jaggery | ,, | A. V. | Tallow | ,, |
| T. | Tea | Lbs. and Value. | F. | Teak timber, tons (measurement) | Value. |
| A. V. | Telegraphic materials and instruments | Value. | | | |
| A. V. | Tiles, ornamental | ,, | | | |
| | Tobacco, and Articles used in the consumption of: | | | Tobacco, pipes and articles used in the consumption of. | Value. |
| | In leaf | Cwt. and Value. | F. | Leaf prepared for smoking and chewing. | Cwt. and Value. |
| Special | Manufactured: | | | Cigars and cheroots | ,, |
| Duty. | American | ,, | | Snuff | ,, |
| | All other sorts for smoking or chewing | ,, | | | |
| | Cigars and cheroots | ,, | | | |
| | Snuff | ,, | | | |
| A. V. | Pipes and other articles used in the consumption of tobacco. | Value. | | | |
| A. V. | Toys and games | ,, | | | |
| | Treasure: | | | Treasure: | |
| | Private: | | | Private: | |
| | Gold: | | | Gold: | |
| F. | Bullion | Value. | | Bullion | Value. |
| | Coin | ,, | F. | Coin | ,, |
| | Silver: | | | Silver: | |
| | Bullion | ,, | | Bullion | ,, |
| | Coin | ,, | | Coin | ,, |

APPENDIX (G.)—CLASSIFIED LIST OF ARTICLES OF MERCHANDISE—*continued.*

| IMPORTS. | | | EXPORTS. | | |
|---|---|---|---|---|---|
| | Treasure—*continued.* | | | Treasure—*continued.* | |
| | Government: | | | Government: | |
| F. | Gold: | | F. | Gold: | |
| | Bullion | Value. | | Bullion | Value. |
| | Coin | ,, | | Coin | ,, |
| | Silver: | | | Silver: | |
| | Bullion | ,, | | Bullion | ,, |
| | Coin | ,, | | Coin | ,, |
| A. V. | Trunks and Boxes | ,, | | Twist: | |
| A. V. | Turmeric | Cwt. and Value. | T. | Cotton country, No. 10 | Lbs. and Value. |
| A. V. | Verdigris | ,, | | ,, No. 20 | ,, |
| T. | Umbrellas, cotton, steel ribs | No. and Value. | | ,, No. 30 | ,, |
| | ,, Cane ribs | ,, | | Hand spun | ,, |
| | ,, China paper Ketisals | ,, | | | |
| A. V. | ,, Silk | ,, | | | |
| | ,, All other sorts and parts of | Value. | | | |
| A. V. | Wax, Bees | ,, | A. V. | Wax and Wax Candles | Value. |
| | Wood and Manufactures of, not otherwise enumerated, viz.: | | | Wood: | |
| | Boards and Planks: | | A. V. | Boards and planks | Sl. ft. & Value. |
| | Of deal or pine | Sl. ft. & Value. | | | |
| T. | Of other kinds | ,, | | | |
| and | Mast, spar, and oar pieces | No. and Value. | A. V. | Mast, spar, and oar pieces | No. and Value. |
| A. V. | All other shapes | ,, | | | |
| | Manufactures of | Value. | | | |
| | Ornamental, viz.: | | | Ornamental, viz.: | |
| F. | Ebony | Value. | A. V. | Sandal | Cwt. and Value. |
| | Mahogany | Sl. ft. & Value. | | | |
| | ,, Australian | ,, | | | |
| T. | Lignum Vitæ | Cwt. and Value. | | | |
| and | Sandal | ,, | | | |
| A. V. | ,, Bastard and Australian | ,, | | | |
| | Other kinds | ,, | | | |
| | Palmyra and Tugqur | Value. | | | |
| | Wool, Manufactures of, viz.: | | A. V. | Wool, Manufactures of | Pcs. and Value. |
| | Piece Goods: | | | | |
| | Alpacas | Yds. and Value. | | | |
| | Broad cloth | ,, | | | |
| | Camlets | ,, | | | |
| | Cobourgs | ,, | | | |
| | Carpets and carpeting | ,, | | | |
| | Dometts | ,, | | | |
| | Doe skins | ,, | | | |
| | Flannels | ,, | | | |
| | ,, Printed | ,, | | | |
| | Kerseymeres | ,, | | | |
| | Ladies' and Pelisse cloth | ,, | | | |
| | Medium cloth | ,, | | | |
| | Merino | ,, | | | |
| A. V. | Muslin-de-laine | ,, | | | |
| | Saved lists | ,, | | | |
| | Serge | ,, | | | |
| | Spanish stripes | ,, | | | |
| | Town cloth | ,, | | | |
| | Trousering | ,, | | | |
| | Tweed | ,, | | | |
| | Bunting | Pcs. and Value. | | | |
| | Blankets | Pairs & Value. | | | |
| | Shawls | No. and Value. | | | |
| | Mixed goods | Yds. and Value. | | | |
| | Braids | Gross & Value. | | | |
| | Other sorts | Value. | | | |
| | All other articles which cannot be included in any of the above classes. | ,, | | All other articles which cannot be included in any of the above classes | Value. |

For APPENDIX (H.)—*Vide* Supplement to the Gazette of *India* of 8th September last.

# EAST INDIA (TARIFF VALUATIONS).

## ABSTRACT RETURN.

COPY of the SUPPLEMENT to the GAZETTE of INDIA, dated Calcutta, 19th January 1867, containing the REPORT of the COMMITTEE for the Revision of TARIFF VALUATIONS.

*(Mr. Crawford.)*

*Ordered, by* The House of Commons, *to be Printed,*
25 *March* 1867.

148.

*Under* 4 oz.

# EAST INDIA (MADRAS PRESIDENCY, &c.)

RETURN to an Order of the Honourable The House of Commons, dated 22 May 1857;—*for*,

COPY "of Two MINUTES recorded by the Governor of *Madras*, dated respectively the 26th day of October 1854 and the 12th day of May 1855; and of Two LETTERS addressed by the Court of Directors of the East India Company to the Government of *Madras*, dated respectively the 2d day of July and the 17th day of December 1856, as to the REVISED SURVEY and ASSESSMENT of the MADRAS PRESIDENCY, and the GODAVERY and KISTNA ANNICUTS."

East India House, May 1857.

JAMES C. MELVILL.

## LIST.


Minute by the Right Honourable Lord Harris, dated 26 October 1854 - - - p. 1
Minute by - - - ditto - - - ditto, dated 12 May 1855 - - - - - p. 13
Letter from Court of Directors to Government of Fort St. George, dated 17 December (No. 17) 1856 - - - - - - - - - - - - - - p. 14
Letter from ditto to ditto, dated 2 July (No. 8) 1856 - - - - - - - p. 21


East India House, May 1857.

*J. S. Mill*, Examiner of India Correspondence.

MINUTE of the Right Honourable Lord *Harris*, on the proposed General Survey and Assessment, dated 26th October 1854.

Minute by Right Hon. Lord Harris, 26 Oct. 1854.

1. THE documents now in circulation on the general survey and assessment of this Presidency show that the subject has been for some time under contemplation.

2. The necessity for commencing proceedings on the point above mentioned appears to have been considered unquestionable; but though this admission has not been gainsaid, yet no action has as yet been instituted thereon.

3. It is generally asserted (and I see no reason to doubt it) that the measurements of the area are generally incorrect, and that in some parts of the country none have been taken on which reliance can be placed.

4. The assessment would appear to have been fixed with no greater accuracy, and has in some districts been placed so high as to prevent the cultivation of the soil.

5. Much has been published of late respecting the unsatisfactory state of this Presidency, of the poverty of the inhabitants, and of the hopeless position in which they are placed, of the exorbitant taxation, and all this misery has been stated to be the result of British misgovernment.

6. I have serious doubts of the correctness of these assertions.

That the majority of the cultivators of the soil are poor, is certainly true; but that is almost certain to be the case where the soil is divided into innumerable small holdings, each insufficient to provide for the most ordinary wants of a family of the lowest class.

Minute by Right Hon. Lord Harris, 26 Oct. 1854.

That the position of the ryots is not very hopeful, may be attributed to many circumstances; but I am inclined to think that their depressed condition is as much the result of moral as of economic causes.

That the taxation which they have to pay is excessive, may in some instances be the case; but I cannot allow that the amount of public funds contributed by the Presidency is exorbitant; neither am I prepared to admit that the state of the country generally is deteriorating.

7. I believe, on the contrary, from all I can learn, that there is a marked improvement in many districts; though probably not to the extent which might have been attained, had circumstances permitted more active measures for improvements on an extensive scale to have been undertaken by the Government.

That the general state of the country has not become less prosperous is sufficiently shown by this one fact, that though remission of taxation has been made to some extent within the last few years, the general income has not diminished.

8. That the incidence of taxation has been unequally adjusted, there is great reason to suppose; and it is mainly to correct this evil that a new survey and assessment is called for.

9. The subject is one of vast importance to the present and to the future welfare of this Presidency, and too much consideration cannot be given to the principles which shall eventually be laid down for directing the method in which it shall be conducted.

10. For the sake of convenience I propose to take the order adopted by my honourable colleague, Mr. Thomas, in his Minute, as my guide.

11. Mr. Thomas (Mr. T.'s Minute, paras. 1 and 2), after referring to the various documents (North West Provinces Reports, Bombay Reports) of great value and merit, which have either been printed or written on this subject, states that he considers the question now before the Government (paras. 3 and 4) to be limited to a pure revenue survey.

The objects of such a survey (para. 5) being two—first, a correct measurement of the superficial area; secondly, a fair and just assessment on each description of land, this latter object being attained by a classification of the different fields of each village or section of a country founded upon consideration of the natural fertility of the soil, of the advantages or otherwise which accrue from climate, proximity to the villages or to the markets, and other circumstances which give greater value to land.

12. I would here mention a point which I think worthy of notice, inasmuch as it has some bearing upon this subject.

The word "survey" has had in this country a more comprehensive signification given to it than it would naturally bear; it means not only the measuring of the area of the land, but also the fixing a rent or land tax.

I mention this, because I am disposed to think, that in consequence some confusion has arisen, and a good deal of unsatisfactory work has been executed in former years.

13. Correct measurement of the land is absolutely required before an accurate assessment can be decided on; and I am of opinion that the difference between them should be very distinctly drawn and adhered to; for it by no means follows, that the person who is most suited to conduct a survey is also the best fitted for regulating the land tax.

14. Mr. Thomas first takes into consideration the question of the survey. With all that he writes in paras. 6 and 7 of his Minute, I fully concur; it is very desirable that the survey should comprise the enam lands, and that the titles to those holdings should be investigated as soon as possible.

15. The suggestion which is made by Mr. Thomas in paras. 8 and 9, is worthy of full consideration; still I am disposed to think, that the survey of the area should be carried on throughout each village, and landmarks distinctly laid down.

It

Minute by Right Hon. Lord Harris, 26 Oct. 1854.

It would not be therefore necessary to make any minute sub-divisions into fields of the uncultivated lands.

The classification of the soils of such lands would be undoubtedly premature, except perhaps a certain portion in the vicinity of the cultivation.

16. I entirely agree with Mr. Thomas in his remarks (paras. 11, 12, 13) on Sir Thomas Munro's system of survey, and there is one point in that system which I think should be specially pointed out to be corrected; viz., that of fixing the assessment not according to the value of the land, but according to the circumstances of the holder.

17. Too much care cannot be taken in making the survey as accurate as possible; and having attained that accuracy, it is most desirable that the measurement should be rendered permanent by substantial landmarks, and by village and district maps.

18. Several copies should be made of the village maps, so that one might remain with the head men of the village, another be lodged with the head of the talook or district, a third with the collector, and a fourth to be forwarded to the Board of Revenue, and the same course should be pursued with the district maps.

19. I am, on account of a full sense of the importance of the survey, inclined to doubt whether my honourable colleague has laid sufficient stress upon the nature of the survey, and whether in looking to a rapid result, which is certainly most desirable, and urgently required, his remarks in para. 3 might not be construed into the permission of a survey, which might afterwards, and at an early period, require re-adjustment.

20. I have already given an opinion (*vide* Minute, June 23, 1854), to which I am disposed to adhere, that the revenue survey might with advantage be connected with the trigonometrical survey, by which greater accuracy would be attained, and a more permanent work be effected.

21. Rapidity of execution must be attained by the employment of several parties of surveyors in different localities.

22. It has already been decided by Government, in the directions for the survey of the Hooloos Talooks of South Arcot, that no smaller area than that of an acre should be laid down in the maps, and I think that this rule should be adhered to.

This would not prevent smaller sub-divisions, if the inhabitants wished to make them; but it would free the Government surveyors from the trouble and expense of measuring these very minute portions of land.

23. Mr. Thomas proceeds to consider the subject involved under his second head; viz., the assessment.

24. The first point on which he dilates (paras. 14 to 28) is that of the classification.

There can be no question that this subject is encumbered with difficulties, and that it is vain to hope that any minute accuracy can be attained.

It therefore behoves the Government to undertake the work in a liberal and generous spirit.

25. Great authorities can be quoted against the practicability or expediency of attempting a land tax of the nature of that which prevails in India, and doubtless their observations are worthy of deep consideration; but it appears to me, that, whether right or wrong, the system is established and cannot be abolished, and that consequently the great object of the Government must be to endeavour to secure funds sufficient to provide for the efficient performance of the services of the State; at the same time so to adjust the tax as to interfere as little as possible with the industry and the welfare of the inhabitants.

26. I concur almost entirely with the remarks made by Mr. Thomas in paras. from 14 to 28.

I think that it is not advisable to attempt a very minute division of the soils, which involves the necessity of having a great number of classes.

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It would also appear unnecessary to classify the waste lands until it is proposed to bring them into cultivation.

27. But I would remark, that in his observations in para. 18, respecting the possible alteration of the classification by a change of circumstances, respecting roads, markets, &c., I think he rather diverges from the subject of classification of soils, if it is to be strictly adhered to, though I believe his remarks are in conformity with the system prevalent in India.

28. The classification has heretofore been made, I imagine, not strictly and solely with reference to the nature and qualities of the different soils, but it has comprised also, in estimating their values, those adventitious circumstances above referred to, such as propinquity to villages and markets, condition of roads, &c.

29. I am disposed to think that this is an erroneous method of proceeding, and to recommend that the classification should be limited to the powers of the soil and the subsoil, which should, as a matter of course, be examined.

The payments which had been made previously would be more a point for consideration in adjusting the assessment; during which process also, all the adventitious circumstances before alluded to, should be taken into consideration.

30. There is one rule of Sir Thomas Munro's, which should never be lost sight of during the classification; that is, to consult the ryots of the villages respecting the merits of the several fields.

Probably their accounts would not be very correct, and there would be a disposition to under estimate the powers of the soil; but a little experience would soon detect this, and it would not be practicable for them to deceive to a great extent for any length of time.

31. As a general system, I greatly prefer the Bombay method to that of the ceded districts; but I think it would be unadvisable to adhere closely to any previous plan, or indeed to lay down any number of classes which should be strictly followed.

In some districts possibly so many as eight classes would scarcely be required; in others a few more might be necessary, but it would not be expedient to allow the number to exceed ten.

32. So important do I think the simplicity of classification, that I should like to see the distinction between irrigated and unirrigated lands abolished, and a water rate charged in those cases where Government affords the supply.

Great assistance would be found in regulating the charges from the valuable work of Captain Baird Smith, on the irrigation of Lombardy.

The Bombay plan may, in some respects, attempt unnecessary minuteness; but I am of opinion that the very able reports of Messrs. Wingate and Goldsmid cannot be too fully studied by those engaged in a survey.

33. Mr. Thomas's remarks on the system of the North Western Provinces have my full concurrence.

The progress of society must eventually require that each man shall stand on his own merits, and pay for his own land.

That the result of the village system has been partial and unsatisfactory in this Presidency there can be no doubt.

In his report on the village system in Guntoor, Mr. Walter Elliot says:—

"The details vary in every village, and are characterised by one common feature only; viz., that the inequalities are always found in favour of the leading ryots, and to the prejudice of the poorer ones."

34. At the same time, and together with the classification of the soils, their respective powers of bearing should be determined, which should be demonstrated by fixed quantities per acre of the more ordinary grains of the district.

35. These quantities should be arranged in a liberal spirit, and fully below the actual amount, so as to prevent any probability of an excessive demand.

36. Again, with the different kinds of crops, those only should be named which are more generally cultivated, omitting any of greater value which may possibly be grown on some small portions of land.

37. Mr.

Minute by Right Hon. Lord Harris, 26 Oct. 1854.

37. Mr. Thomas next urges (paras. 28 to 34) the necessity of a moderate assessment, and shows that if this boon be granted, that the position of the ryot will be highly advantageous as compared with the landholders in Bombay, and the North Western Provinces.

38. I am fully prepared to allow the necessity for moderation in the demand. No act of Government can be more unwise than one which would depress the cultivator of the soil, and deprive him of all hopes of raising his position in society, or of bettering his circumstances. At the same time, I would remark, that there are very different views of moderation afloat on this subject, and it is necessary therefore to be explicit on the point.

39. I am of opinion that the assessment should be fixed in a liberal spirit, with a due regard to the interests of landholders, and allowing a full scope to their industry, without neglecting the just requirements of Government.

40. To make a just settlement, full weight must be given to all the circumstances which bear upon each case; otherwise, if the tax be made so light as to do away with the necessity of any such considerations, the rights of the Government will be sacrificed, and a mere quit-rent will be established, which, after a few years, will be considered a nuisance by both parties, in consequence of the trouble of collection, and the smallness of its value.

41. I look upon the land-tax of India as the grand basis, and the largest item of its taxation; it appears to be that which is the most acceptable, and the most readily borne by the people, and therefore it should be retained in the prominent position which it now holds.

42. I am the more urgent on this point because, from the information which I now possess (and a greater knowledge and experience will probably confirm the view), I am convinced that if the improvements of every kind, viz., in the details of Government, in the courts, in the police, in education, in public works, in the establishment of dispensaries which are now called for, and which are allowed to be required, are to be undertaken, the expenditure of the country must be increased to a very large amount.

43. I think, therefore, that though the assessment should be moderate, it should be calculated on a certain fixed basis, which can be known, and which has reference to those points which are of material importance in the calculation, and which have been already, or which will be hereafter mentioned.

44. In para. 34, Mr. Thomas enters upon the consideration of what is a moderate assessment.

On this important point, he at once rejects the rates fixed by Sir Thomas Munro in the Ceded Districts, which were 33 per cent. of dry grain, and 45 per cent. of wet produce; and he would interdict any officer from taking "a higher proportion than 30 per cent. for wet, and 22 per cent. for dry grain land."

He would further reject all garden rates, as has already been authorised in South Arcot.

45. I quite agree with Mr. Thomas in his objections to the rates fixed in the Ceded Districts, the faultiness of which has been made manifest, by the necessity of having constant recourse to the very objectionable plan of giving remissions.

But I am disposed to think, that a closer approximation to a just proportion might be attained than that proposed by Mr. Thomas, whilst, at the same time, the general process would be simplified.

46. I have already stated my views as to the classification of the land, including the quantities and species of produce which it should be declared to bear.

In the classification I have proposed to get rid of the division between wet and dry land, so that the soil would be classified solely on its merits, leaving the advantages gained by the opportunities for irrigation to be paid by a water rate, to be settled according to rules to be arranged by officers deputed on that service.

47. The question then comes, what proportion of the gross produce of the soil classified as above stated should be claimed by the Government?

*Minute by Right Hon. Lord Harris, 26 Oct. 1854.

I think it is most important, in order to enable the valuers to have some sure grounds from which they can start, and to enable them to settle that most difficult matter of a fair and moderate assessment, that one or two points should be definitively fixed.

The classification, when determined on, though liable in some cases possibly from time to time to revision, would be one of these:

The proportion to be paid to Government should undoubtedly be the other.

Sir Thomas Munro's proportion varied from 45 per cent. to 33 per cent.; but I believe he considered that it ought not in any case to exceed 33 per cent. Mr. Thomas would range between 30 and 22.

At present, in this Presidency, I hear that it is often 50 per cent., or even more.

It is calculated, I have heard, though all such calculations are not worthy of very great confidence, that 33 per cent. of the gross produce will give two-thirds of the net profit.

Whether this be the case or not I will not pretend to decide; if it is correct, I think it is a larger amount than the Government should exact.

48. After the best consideration that I can give the subject, I am of opinion that 25 per cent., viz., one-fourth, is the maximum amount which Government may fairly claim on all lands, classified as I have mentioned above, but liable to such deductions in various cases as I shall now mention.

It is possible that any immediate diminution of revenue which might be likely to result from this change in the per-centage might be in many instances provided against by allowing the ryots to take a larger portion of land in proportion to the decrease of assessment.

49. I have now advanced to this position of the procedure.

1st. The classification of the soil, its merits being declared by the amount and quality of produce applied to each class.

2d. The proportion of that produce which is to be claimed as the Government demand.

It is now the time, I think, for the valuer, surveyor, or whatever he may be called, to take into consideration those adventitious circumstances, which cause different fields (though containing soils of exactly similar qualities), to be of more or less value, such as distances from villages, roads, or markets, &c. &c.

Having come to his conclusion on this point, and always retaining the 25 per cent. as the highest Government claim for the most favoured soils, he will fix the amount of gross produce which shall be paid by all others.

50. In para. 35, Mr. Thomas alludes to the existing custom of charging additional rates on garden lands; the orders of Government have already permitted the abolition of this charge in South Arcot. I quite agree that the abolition should be made universal.

51. The next point is that very important one, of the commutation of that portion of the produce of the land which the landholder has to render to the Government into its money value for the purpose of payment.

Mr. Thomas discusses this subject in paras. 36 to 42. I, without hesitation, give my concurrence to the general principle which he lays down on this subject.

The actual payments made by the landholders ought to vary according to the money value of the productions of the soil.

It is clear that if a fixed settlement be made for any lengthened period of years, that the variation of prices may act most injuriously on the interests of either one party or the other.

This has been the case in many districts of this country, in which the prices which prevailed 30 years or more since, have been retained in payment of the land-tax; whereas, the reigning prices, those by which the ryot sells his grain, have very considerably diminished.

52. I am aware that it is a very difficult question to decide how the commutation price shall be arranged.

I am of opinion, that it is fairest and most advantageous for both parties that the payments of each present year should be paid according to the average prices of each previous year, prevalent within certain districts of country.

But

But I believe that this plan could not very well be carried out, and that it would be under present circumstances more expedient to strike an average of the prices for a certain term of years, which should be the fixed commutation price for a similar term of years, when it should be replaced by another average, taken from the term just passed. Minute by Right Hon. Lord Harris, 26 Oct. 1854.

In order to facilitate this process, and also to improve the state of the country generally, it is very important that markets should be established whereat the prevailing prices should be recorded.

There are some very excellent remarks in Lord Tweeddale's Minute on this subject. He says:—

"Amongst the measures for this end, the establishment of public markets appears to me one of the most desirable and important; for I do not see how any fair calculation can be made of the amount in money which the farmer or ryot is to pay as an equivalent for the proportion of produce claimed by the landlord, or by Government, unless the price which the cultivator receives from the corn merchant is publicly known, and fairly recorded in the market.

"A public market has also the greatest effect on agricultural improvement."

I think this term should not exceed seven, or at the most 10 years.

Anything like a severe and lengthened pressure on the ryot in consequence of low prices would thus be prevented, whilst the Government would be secured in a fair and legitimate increase, which might fairly accrue to it by a continued advance of high prices.

I may here explain, that the only occasion in which Government should desire to obtain increased payments, should be in such a case as that referred to above, where there obtains a certain and continued increase of prices caused by a progressive improvement for a lengthened period in the state of the country.

But in order to insure confidence in the security of holdings, and to prevent any alarm of a sudden increase of assessment it should be clearly understood, that no change in the grain apportionment would be made for at least 50 years.

53. Mr. Thomas next alludes (para. 42) to a total remission of the tax in seasons of drought.

I am not prepared to give a decided opinion on this subject, and I think that it would not be desirable for Government to bind itself very distinctly.

It behoves it much more to prevent such distressing occurrences, which appear to occur regularly in cycles of years, by artificial substitutes, such as tanks and annicuts, and systems of irrigation which may be adopted in most districts of the Presidency.

54. The next subject (paras. 43, 44) is one of very considerable difficulty, that of the size of the holdings.

I am persuaded that no very great change can be suddenly effected in this country; neither would it be prudent to attempt it, though I have no doubt that the system which permits large districts of country to be subdivided into a vast quantity of minute holdings, is most baneful in every point of view.

I should, however, look with a very considerable degree of jealousy upon any rule which would go to prevent the industrious labourer without capital beyond the strength which God has given him, from rising in the scale of society, and this would frequently be the case, if a limit were placed on the quantity of land to form a holding, and if a certain amount of capital were required.

As Captain Wingate very justly remarks, "Owing to the laws and customs in regard to inheritance obtaining in this country, and the few opportunities for the employment of capital except in the cultivation of the soil, the land has at all times been very much subdivided, and with these conditions the existence or creation of a large body of wealthy farmers seems scarcely compatible. We may hope, under good management, to see agricultural property very widely diffused, and a very numerous class of small farmers enjoying comfort and independence; but there would seem to be few grounds for anticipating the establishment of a class of wealthy agriculturists, cultivating large farms, under any circumstances in India; and I do not know that this is to be regretted, for the problem, as to the best distribution of national wealth, has been by no means so satisfactorily solved as to enable us, in my opinion, to pronounce decidedly in favour of one of these systems."

There is much value in this sentence; and though I fully believe that a large number of acres can be cultivated more cheaply than a small one, always sup-

Minute by Right Hon. Lord Harris, 26 Oct. 1854.

posing the holder to possess a sufficient capital, yet I think that the accumulation of land must be left, in a country situated as this is, to those natural laws by which the acts of men in society are ordered, and any interference with which generally tends only to produce confusion.

55. This question is to some extent connected with one on which Mr. Thomas has touched in his general remarks at the end of his Minute; viz., the terms on which the holdings are retained in this country.

In the Ryotwar districts, it is generally ruled that the ryot's holding is perpetual so long as he pays the tax; he is at liberty also to abandon certain portions for a time, and while they are not in cultivation he pays no tax on them. He may even do this, I have seen it asserted, with the whole of his land, and still retain possession.

The customs of different districts, I believe, vary on this subject; but I think an attempt should be made to bring about an assimilation.

56. It is certainly a valuable prerogative to the ryot to be allowed this power of abandonment and of consequent freedom of taxation; but this privilege might, I do not know that it is, be carried so far as seriously to interfere with the interests of the country and of the neighbouring landholders.

As a general rule, no one ought to occupy land who has not the means or the industry to cultivate it well; it is an obligation which every man owes to society.

If then a ryot abandons either all or a portion of his land, without just cause, some limit should be placed on the continuance of such a proceeding, more especially if there are others in the vicinity willing to occupy the land, and able to cultivate it.

There is a practice stated to be common in this Presidency, which should at once be abolished, which is the forcing ryots to rent a larger portion of land than they require, and the obliging them to take a certain portion of inferior land in proportion to the quantity of rich soil which they hold.

57. I think also that greater facilities might be granted to the holders of large portions of land, by which the interference of the subordinate officials might be greatly diminished.

For instance:

I would retain the present rule for all portions of land below five acres.

For all above that number, but below 20, I would authorise the collector to enter into arrangements with the holders, by which, without going into the minute payments required for each field, and for the deductions for fallow, &c., they might be allowed to pay a certain amount annually, taking the fallows into consideration in diminution of the tax, but without requiring a yearly settlement.

Again, I would recommend that to all persons desirous of taking or actually holding larger portions of land than 20 acres, leases, if they should desire them, should be granted for terms not exceeding 50 years.

It being clearly understood that a re-adjustment should take place at the expiration of that period.

Thus the holders of land of less than five acres would keep it on the present tenure.

Those possessing more than five, but less than 20, might adhere to the present tenure, or if they should prefer it, would have the opportunity of making a composition.

Possessors of a larger number of acres than 20, might keep to the present tenure, or make a composition, or have a lease.

I think that by this method the wishes of all parties would be met to a very great extent, and that gradually, and in no very long time, there would be a very great diminution of the minute interference of Government subordinates now so prevalent and so much complained of.

The only reservation which it strikes me might be made in the compositions or leases, would be in the case of the value of lands becoming very largely increased from the opportunity offering of letting them for building lots, when it would be fair for Government to receive some portion of the advantage.

58. But it would be requisite to adhere to one rule with great strictness in these arrangements, viz., that in all cases the Government should have to do with

with only one person, who should be responsible for the tax, and in whom all the capital in the holdings should be vested.

Minute by Right Hon. Lord Harris, 26 Oct. 1854.

The certainty of tenure should be clearly understood to be secured in all these cases, and only contingent on default of payment.

59. Every facility should be given for the easy completion of leases, and of transfers and sales of lands.

Hindrances, delays, difficulties, or heavy expenses on these points, are most hurtful to the industry of every country.

60. Great care should be taken in regulating the periods for the payment of the rent, so that they may be fixed at times most convenient for the land-holders.

I may here mention, that in order to simplify proceedings, to diminish the interference of the subordinate officials, and to facilitate the working of public affairs, both in the collectorates and with the Government, I am thoroughly convinced that a radical change is necessary in the method of keeping accounts.

At present they are kept in a language, the Mahratta, alien to the Government, and unknown to the inhabitants; the consequence is, that both the European officers and the people are in the hands of a third party, the Mahratta Brahmins, who doubtless have been and are of great use, from their ability and experience in business, but the system might be altered and their services retained.

61. I am of opinion therefore, that when instructions on this subject of a general survey are issued, which I trust will be at an early date, one amongst them should direct that for the future the acounts shall be kept in English, an abstract copy being made in the vernacular of the district for the convenience of the inhabitants.

62. In para. 46, Mr. Thomas offers a suggestion respecting an early survey and assessment, which is, that instead of waiting for some elaborate and perfect machinery, which might postpone a settlement for years, the junior revenue officers should be directed to commence it at once, and he thinks this is quite practicable if the simplified system of classification which he has proposed be adopted.

63. I fully concur with him in the necessity for an immediate survey. I believe it to be required almost throughout the Presidency, but more particularly in the Northern Circars, and I think measures should at once be adopted for immediate operations.

I have some doubts, however, whether the method proposed by Mr. Thomas would fully answer the purpose.

I must confess to some apprehension lest that, in endeavouring to facilitate the measure, inefficient means should be employed, and errors hence be committed, which would destroy all confidence in the survey, and render nugatory the efforts of Government.

The consequence would be that a fresh survey would again be called for.

I do not not that some of the junior revenue officers are fully competent to undertake the work, or could in a short time render themselves fully available for the purpose; but it must be remembered that scarcely in any district has the collector a staff sufficient to perform the ordinary duties required of them, and to give them this very laborious addition, which would require constant attention, would, I fear, only tend to delay the routine work at a time when much greater celerity of performance is called for, whilst the character of the survey would at the same time be hazarded.

64. I am, however, quite prepared to support Mr. Thomas's view of immediate action, and to effect this thoroughly, I think that two nuclei for surveying should be formed in addition to that of Captain Priestly's, and on the same scale.

Captain Priestly will soon, it is hoped, be able to send out parties over the southern districts.

Another party should be stationed in the districts between South Arcot and the Kistna, and a third should take the Northern Circars.

If men properly fitted for the work cannot be found in this Presidency, they should be procured from Bombay or the North-Western Provinces.

65. There is one distinction which I would here wish to point out, which I think should not be disregarded.

Minute by Right Hon. Lord Harris, 26 Oct. 1854.

The measurement of a certain area of land may be most correctly made by a person who may be quite unfitted to fix an assessment, and great care should be taken in selecting persons thoroughly qualified for each purpose.

I am disposed to think that the suggestion (*see* his Minute) made by Lord Tweeddale, of procuring thoroughly qualified land agents from England for the purpose of assessing the land, might be adopted with great benefit. One of these men attached to each surveying party would soon qualify a number of others for these specific duties.

Though they would be at first ignorant of the habits of the people, of the nature of the soils, of the articles of produce, and of their values, these difficulties would soon be got over, and their knowledge of a correct system of valuation would be most important to the perfection of the survey.

I am further of opinion, that a person fully understanding practical geology, and agricultural chemistry, should be attached to each surveying establishment.

66. It should be remembered that, in a country like this, in commencing a thoroughly efficient survey establishment, the completion of the work actually in hand is not all that is required, but that it is important to bring up a number of persons in each district, who may hereafter be of service for the purpose, when waste lands are brought into cultivation.

In fact there will always be required in each collectorate some officers who can at once carry out a survey, and others who can fix an assessment.

On this point there are some valuable suggestions in Captain Erskine's Manual of Survey for the North-Western Provinces, in which he proposes a plan for instructing the village officers on those points.

67. I should, however, qualify the opinion I have given above respecting the survey department, by stating, that the last thing I wish for is to cause any delay, and that if good and trustworthy surveyors can be found amongst the junior revenue officers, and that it is thought that they can be so occupied, without impeding the course of public business, I have no intention of opposing their employment.

68. In paras. 47 to 49, Mr. Thomas refers to the discussion which occurs in the papers before the Board respecting the condition of the Goollem Talook in Bellary. On this matter it is unnecessary to offer an opinion, as Mr. Maltby is now making an inspection of that district, and if it be over-assessed, the general orders for the survey will remedy the evil; but Mr. Thomas's remarks remind me that there are two points which I have omitted, and on which I wish to write shortly. These,

1st. The occupation of the waste lands.
2nd. The formation of grazing farms.

69. It would be advantageous to encourage both these objects on very liberal terms, always requiring, on the part of Government, the right of re-adjustment, after a certain term of years.

The terms for grazing farms must be framed chiefly in conformity with the customs of particular districts, as they vary considerably in all countries

In Bombay they are let annually to the highest bidder, but in some districts it might answer better to exact a small payment for each head or each 100 head of cattle, or to let for a longer term of years.

70. Every encouragement, by the most liberal and easiest terms, should be given for the first occupation of waste lands.

The following observation of Mr. Mill in his Principles of Political Economy should always be kept in mind in respect to this point:

"As, however, differences of fertility slide into one another by insensible gradations, and differences of accessibility, that is, of distance from market obviously do the same; and since there is land so barren, that it could not pay for its cultivation at any price, it is evident that whatever the price may be, there must be in any extensive region some land which, at that price, will first pay the wages of the cultivators, and yield to the capital employed the ordinary profit and no more. Until, therefore, the price rises higher, or until some improvement raises that particular land to a higher place in the rank of fertility, it cannot pay any rent. It is evident, however, that the community needs the produce of this quality of land, since, if the lands more fertile or better situated

situated than it could have sufficed to supply the wants of society, the price would not have risen so high as to render its cultivation profitable. This land, therefore, will be cultivated, and we may lay it down as a principle, that so long as any of the land of a country, which is fit for cultivation, is not cultivated, the worst land in actual cultivation (in point of fertility and situation together) pays no rent."

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71. In all the points on which directions are given and principles laid down on this important subject, full consideration should be given to rights already established, and the circumstances of those in whom they are vested, so that in regulating the titles, or the holdings or the diminution of assessment, all landholders in the several districts, whether ryots or zemindars, or whatever may be their titles or tenures, should proportionably benefit by the concessions which it may be determined on to grant.

72. In conclusion, Mr. Thomas gives his views (paras. 50 to 62) on a point, which is doubtless of great importance, viz., the position or status, or nature of tenure, which the ryot, meaning thereby, I presume, any landholder, is to be supposed to hold, whether that of landlord or tenant or labouring peasant.

73. I quite agree with Mr. Thomas, that the ryot's position is not a very hopeful one, if such a rent (para. 51) is to be exacted from him as will leave him nothing more than the bare wages of a labourer, or if no more is to be left to him than will support his family (para. 52) and keep up his stock, or if he is to be saddled with land which he does not require, and is forced to cultivate it, or at all events (para. 53) to pay tax on it; or again, if he is to be required to pay such a rent as it has been customary for landlords in England to require (para. 54), irrespective of what may be the pecuniary needs of the Government, or if his assessment is to be raised at the end of a term of years in proportion to the improvements which he has made in his holding.

74. But though I agree with Mr. Thomas in his views up to this point, I am not prepared to go the length of placing the ryot in the position of a landlord according to the meaning of the term in England. Neither do I think it desirable that the assessment should gradually become a mere quit-rent, or that the opportunity should be afforded of purchasing a total remission of land-tax.

75. The landlord class of Europe is a result of the conquests of the dark ages, a relic of the feudal system, still flourishing in England alone, in consequence of that profound sagacity which has induced the conquering race to amalgamate with the conquered, and then to govern by yielding, when it could not command by force.

Still, even there, with all the advantages which it possesses, how much land there is neglected and unimproved, in consequence of its remaining in the hands of those who cannot expend capital on it?

How few are the opportunities for the industrious and able poor man to raise himself as a landholder?

76. But I doubt the expediency of endeavouring to create, and the possibility of forming such a class in a country circumstanced as this is, even were it in accordance with the spirit of the age.

I am inclined to think that any attempt to give a status of that nature to the majority of the agricultural class in India would not only fail, but would result in rendering them merely the cultivators or land agents of a monied aristocracy.

77. Before coming to any conclusion on this point, it is necessary to consider, not only what is, but what is likely to be the basis of the financial system of the Government of India; if that point can be decided with sufficient clearness, we may then be in a position so to modify the tenures of land as to make them coincide with sound principles of finance, and at the same time to give full scope to the industry and prosperity of the landholders.

78. I consider that the land of a country belongs to the Government *de facto* and should be held by it, and should be distributed by it amongst the population in such a manner as is likely to cause it to be most beneficially cultivated, both as regards the interests of the cultivators, and of the whole community.

There may be, and we know there are, many hindrances to this principle being even openly allowed, much more to its being fully carried out, in all

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countries, but in those cases wherein the opportunity is afforded of starting from first principles it should not be neglected.

I think this opportunity exists in the ryotwar districts of this country.

79. The foundation of taxation in India consists in its being direct, and in its being derived from land.

To this tax the people readily yield; and it would be, therefore, injudicious to make such alterations in its relative bearings to the whole amount of the public revenue, as might in a short time render it a small item amongst the general contributions to the income of the country.

If another course were to be pursued, it would shortly be necessary, in order to keep up the revenue, to have recourse to the many expedients of indirect taxation, which create constant difficulties and dissensions, and which are frequently unsatisfactory in their results.

80. But not only do I think that such a change would be inexpedient; I am further disposed to think that the healthiest system of taxation may be established on a direct assessment upon land, laid on in a just, a liberal, and a comprehensive spirit.

I think it might be so fixed as to bear the greater portion of the expenses of the State, without interfering with enterprise.

81. In this case the Government would be the great landlord; but it is not therefore necessary for it to extort the full rent value of land, but to modify its demand according to the wants of the public service.

There need be no revision of the assessment, except at very lengthened periods, when such an evident increase should have taken place in the value of the soil, as could not be ascribed to, and therefore could not interfere with, or press hardly upon, the improvements of any one proprietor or generation, but would be the result of the general advancement of the country in welfare and prosperity.

82. What I mean is this: there is a position differing from that of being the tenant of a landlord, differing also from that of landlord as it exists in England; that position is, being tenant of the State on liberal terms, which is in actual existence in this country.

I am of opinion, that it is very important on sound, industrial, and financial grounds, that this position should be perpetuated.

Morally, because I believe it will have the tendency to require each generation to act and work for itself.

Industrially, because it will insure the best cultivation for the whole of the soil; financially, because it will continue a simple and easy mode of taxation, which gradually and almost imperceptibly will augment the public funds, in proportion to the progress made in the country.

83. To secure these results, the assessment must be,

1st. Sufficiently high to make each proprietor look after his affairs, or to hazard the loss of his holding by nonpayment of his dues.

2d. Sufficiently moderate as not to interfere with the employment of capital, or to shake confidence in the certainty of a fair net return for the outlay.

3d. Sufficiently important in amount as at all times to be the chief, or at all events a principal item of the public revenue.

84. I of course do not mean that it should be the only source of public revenue; indirect taxation exists to a certain extent, and should be continued, but I would recommend that the land-tax should retain the important position which it at present holds.

85. There must always be many objections to any system of taxation; there will always exist opportunities for ascribing to the measures of Government the responsibility of misfortunes which are caused by the errors of individuals.

Any scheme which can be devised will, doubtless, be replete with imperfection, and it is likely to be ascribed as a great fault that the system proposed will impede the formation of a large proprietary class. I think this conclusion by no means follows, though the possession of lands in fee simple (which is considered almost a *sine quâ non* in England) would not be granted.

I am

I am not sure that any great advantage is to be derived from that species of possession if security of property is otherwise well provided for, and there is always a tendency in that description of tenure to impede those changes which are natural to the variable state of human society, and which should be rendered as easy of accomplishment as circumstances will permit.

Minute by Right Hon. Lord Harris, 26 Oct. 1854.

86. Notwithstanding these apparent faults, I am still very confidently of opinion that an opportunity now offers of remodelling the state of affairs in this country, which is favoured in no small degree by the nature of circumstances, and to a greater extent than frequently occurs.

I see nothing to prevent the establishment of a basis of taxation which may be both equitable and moderate, to which the population is accustomed, and which may be made a source of benefit to the country.

By it permanency and security may be given to property, whilst hindrances to improvement will not be perpetuated. The Government only requires full scope to undertake the matter in a liberal and comprehensive spirit, and I think that there is every reason to hope that the result will be successful.

26 October 1854. (signed) *Harris.*

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MINUTE of the Right Honourable Lord *Harris*, on the proposed General Survey and Assessment; dated 12 May 1855.

WITH respect to Sir H. Montgomery's remark on my suggestion that 25 per cent. should be the proportion of gross produce which Government should receive, I would take this opportunity of stating, that it by no means follows that nearly half the amount of the present land assessment would be sacrificed.

Minute by Right Hon. Lord Harris, 12 May 1855.

So far as I can learn, I am led to suppose that the quantity of land actually in cultivation considerably exceeds that on which the rates are levied, and that consequently a correct measurement will give a gain to Government on this point.

But that argument is taken apart from the real point for consideration, which is, what is the maximum which Government can demand of the cultivator, leaving him a fair prospect of being remunerated for his labour and of receiving a just interest for his capital?

To exceed this involves ruin to him, and therefore loss to the country.

If one-third of the gross produce is equal to two-thirds of the net profit, I think it is more than should be taken with a just regard to the views above mentioned.

I have no doubt that if fixed at the rate I have mentioned, not only would there be no loss to the general income, but that there would be in a short time a large addition to it, by the large quantity of land which would be taken into cultivation, and by the increased consumption of articles of import, both of which would be caused by the accumulation of capital.

The actual loss or gain to Government will only be known after the survey has been made and the assessment fixed, and I am disposed to think that the general out-turn would be far from unfavourable to Government.

The proportion of 25 per cent. of the gross produce has been fixed on by the French, and there can be no doubt of the result which has followed in their territories. It has been most successful. It should be remembered that even if diminutions of revenue should occur in consequence, in some localities, these would be by no means contemporaneous, as the survey cannot be carried on all over the country, and will, however expeditiously effected, consume a great deal of time.

(signed) *Harris.*

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Letter from Court of Directors to Government of Fort St. George, 17 Dec. 1856.

## LETTER from Court of Directors to Government of *Fort St. George.*

Revenue Department, 17 December (No. 17) 1856.

OUR Governor in Council at *Fort St. George.*

Survey and assessment of the Madras Presidency.

Para 1. WITH your letter, dated the 11th October (No. 44) 1855, you have submitted to us a Minute of Consultation, dated the 14th August 1855, showing the final result of the consideration which has been given, during the last ten years, to the question of a general survey and revision of assessment in the districts subordinate to your Presidency.

2. You on the same date referred the whole matter for the orders of the Government of India. The vast importance of the subject, and the necessity for dealing with it only with the fullest information, and after the most mature consideration, compelled us to await the communication of the views of that Government before issuing the instructions which you solicit.

3. The minutes of the several members of the Supreme Council have been forwarded to us, with a letter dated the 15th May last (No. 14), in which they give their "strong and unanimous recommendation that the measures proposed by the Madras Government should be generally sanctioned, and that authority should be given to carry them into effect."

4. The urgent necessity of a survey, with a view to the re-assessment of the land revenue in the greater portion of the districts under your Presidency, is, we consider, established beyond the possibility of doubt. We now proceed to review the several recommendations in the order in which we find them stated in your Minute of Consultation of the 14th August 1855.

Paras. 6 and 7.

5. We approve entirely of your proposal that the opportunity of the survey should be embraced for the purpose of instituting an investigation into the tenures on which land is now held rent free. "It is notorious," you observe, "that in every district enams to a large amount are held without any valid title whatever," and although we can scarcely join in your anticipation that an investigation of titles, if "undertaken in a fair spirit and with proper consideration for the presumptive interest which has grown out of a permissive enjoyment of above half a century, will not be objected to," yet we are not on that account disposed to withhold our assent to a measure which is called for by a due regard to the interests and claims of the tax-paying portion of the agricultural community and of the general mass of our subjects.

Para. 34.

6. With respect to the mode of dealing with persons holding enam lands on titles found to be invalid, we agree with you that, "after the long possession which has been tacitly permitted, it would be only fair to deal liberally with these cases, and to forbear to resume immediately; the proceedings should rather be of the nature of those at Bombay, under Act XI. of 1852. Thus," you observe, "the immediate recovery of revenue from this source would not be great, but ultimately it would be very considerable."

Para. 8.

7. We approve your decision that, for the purpose of obtaining greater accuracy, the revenue survey should be connected by minor triangulations with the great trigonometrical survey, a point to which we referred in para. 7 of our despatch of the 18th July (No. 11) 1855.

Para. 9.

8. We have already expressed our approval of the proposed manner of mapping very small fields in paras. 4 and 5 of the above-quoted despatch. We shall hereafter have occasion to recur to the point of the size of fields when discussing the question of the expediency of discouraging small holdings, and the consequent increase of pauper ryots. We shall only remark in this place, as we have already stated in para. 6 of the despatch before referred to, that we believe you are under a misapprehension in supposing that, by the Bombay system, any limitation was placed on the size of fields actually occupied, or any interference practised with existing rights. Neither is it, we believe, a correct statement of the Bombay rule that, "if a field were held in partnership, and one

one of the co-partners died or gave up his part, the other co-partner must take it, or abandon his part also, unless he could find some one to take the vacant share." By the Bombay practice, several small fields held on the same tenure by different occupants are clubbed together to form a larger field, bearing a separate number, and approaching in size as nearly as can conveniently be accomplished to the minimum size permitted for unoccupied land. These small fields continue to be held by their occupants, who, although designated sharers, are not under any joint responsibility, nor are their previous rights in any way interfered with. No further subdivision is permitted; and in the event of one of the small fields or shares becoming vacant by death, default, or otherwise, the ryots holding the other shares or portions constituting the survey field are required to arrange among themselves to take up the unoccupied portion, or to vacate their own shares, so as to leave the whole field to be engaged for by one individual. The obvious and intentional tendency of this rule is to lead to the consolidation of the small holdings into larger ones; and although it may appear somewhat arbitrary, no difficulty has been found, so far as we are aware, in carrying it into practice under the reduced and equalised assessment.

Letter from Court of Directors to Government of Fort St. George, 17 Dec. 1856.

9. The extension of the survey to enam, as well as Government lands, is highly proper. The detailed survey of the jungle and unreclaimed waste appears to be, at least for the present, unnecessary. The establishment and preservation of boundary marks, and the preparations of field maps, village maps, and talook maps, are essential to the permanency of the work.

Para. 10.

10. We agree with you that the best mode of settlement is that commonly termed ryotwar, although it may more correctly be designated khetwar; that the assessment on each field should be defined and fixed, so that the cultivator should know precisely the amount of the Government demand on the land occupied by him. Whether the collection of the revenue from the individual ryots should be made directly by the stipendiary officers of Government, or by some intermediate agency, is a question which we propose to notice in a subsequent part of this despatch. With a moderate assessment, it is to be hoped that remissions, except under rare and exceptional circumstances, will cease to be granted. We have observed, with much satisfaction, that in the recently surveyed districts of the Bombay Presidency remissions have already almost disappeared from the accounts.

Para. 11.

11. The discontinuance of the practice of granting remissions will render unnecessary all interference with, or inquiry into, the agricultural operations of the ryot. He will be held liable for the assessment of all the land, whether actually cultivated or not, for which he may have engaged, until he shall have formally relinquished it; and entire freedom will be given to him either to relinquish or to take up fresh land, as his inclination or means of cultivation may dictate to him.

Para. 12.

12. In the classification of the soils, we agree with you in the opinion that exact accuracy is unattainable, and that, provided the assessment be sufficiently moderate, the want of it will not for a time be of much practical importance. We therefore concur with you in thinking that the classes should be few, and based on real and distinguishable differences of soil. The officers engaged in the duty of fixing the assessment should always bear in mind that, as you have expressed it, "the right of the Government is not a rent, which consists of all the surplus produce, after paying the costs of cultivation and the profits of the agricultural stocks, but a land revenue only, which ought, if possible, to be so lightly assessed as to leave a surplus or rent to the occupier, whether he, in fact, let the land to others, or retain it in his own hands."

Paras. 13 and 14

13. The suggestion that the distinctive classification of lands according as they are or are not capable of irrigation from a Government source, should be abolished, and that all land should be classified, simply with reference to its soil and its productiveness, without irrigation, a water-rate being charged when Government water is used or is permanently available, is one well worthy of mature consideration. This practice prevails in the North-West Provinces, and although the universal practice under your Presidency is different, the change might, you think, be made without inconvenience on the occasion of a survey, if, on the whole, deemed expedient.

Para. 15.

Para. 16.

14. The classification of the soils having been completed, the next process to be undertaken is the valuation of the land. In the former operation the inherent qualities of the land only are considered; while, in the latter, such accidental circumstances as the nearness of the village, facility of communication, and whatever else may affect either the quantity or quality of the produce, have to be taken into account. This may, you consider, be most conveniently effected, as in Bombay, by placing the field or village, as the case may be, in a higher or lower class of assessment, according to the aggregate of such circumstances.

Paras. 17 to 19.

15. The next and final process is the determination of the assessment. You are of opinion that, with certain exceptions, the proportion of the crop actually taken by Government at the present time, except when there have been recent reductions, is not less than 50 per cent. on irrigated, and 35 per cent. on unirrigated land. Under the revised assessment you propose that 30 per cent. of the gross produce should be taken as the maximum of the Government demand under the most favourable circumstances, but subject to reductions in the event of the absence or lower degree of any of the accidental advantages referred to in the preceding paragraph. These reductions would, you apprehend, bring down the share taken by Government to about 25 per cent., or one-fourth of the gross produce.

16. We consider that this part of your scheme is the one most open to objection, and moreover that it is inconsistent with the principle laid down in para. 13 of your resolution, that the right of Government is not even to the whole rent, but only to a share of the rent. In lands of a high degree of fertility, possessing easy means of communication, and in the neighbourhood of good markets, 30 per cent. of the gross produce may fall considerably within the limit of the rent or net produce; in lands less fertile and less favourably situated, a much smaller share of the gross produce might considerably exceed it. The natural and inevitable consequence, as it appears to us, of apportioning the assessment to the gross produce, is to favour the most fertile lands, and to press with increasing severity on the poorer lands in an inverse ratio to their fertility.

17. In a natural state of things, when the demand for agricultural produce is such as to render it necessary to bring all the available land under the plough, the least fertile land in cultivation would be that the gross produce of which would merely furnish the wages of labour and the profits of the stock employed in cultivating it, leaving no surplus out of which any rent or assessment could be paid. If, as under our revenue system, an assessment, however small, is imposed, such land must of necessity, all other circumstances remaining the same, be abandoned, and cultivation will recede until it reaches the point at which the gross produce is just sufficient to provide for the payment of the assessment, in addition to the wages of labour and the profits of stock.

18. The fact that the holdings are generally of very small extent, that the labour is performed in most cases by the ryot and his family, and that the agricultural capital employed is of exceedingly small amount, does not, we apprehend, interfere with the operation of the principles to which we have adverted. The produce of the land must at least be sufficient to feed and clothe the labourer and his family, and to replace the cattle, and agricultural implements as they become worn out; and, besides this, a surplus must remain for the payment of the assessment imposed by the State.

19. We are therefore of opinion that the assessment should be proportioned to the net, and not to the gross produce. This course was followed in the North-Western Provinces of Bengal, when the proportion demanded by the Government as its land revenue was taken at two-thirds of the net produce. You observe that, although this share of the net produce would bear various proportions to the gross produce, according to circumstances, on the whole it may be assumed to be equal to about 30 per cent. on the gross produce. Admitting this assumption to be sufficiently correct for practical purposes, we must observe that the question is in no respect one of averages. It may be true that 30 per cent. of the gross produce of a whole district may be equivalent to two-thirds of the net produce; but the object of your proposed operations is to apportion the assessment fairly on the individual fields composing the district according to their varying degrees of value, and this object will not be attained by making the gross and not the net produce of each field the basis of assessment.

Directions to settlement officers, N. W. P. para. 52.

20. It

20. It may be argued that the net produce cannot be ascertained, or even estimated with any near approach to accuracy. No attempt to estimate the net produce has been made in the revised settlements of Bombay or of the North-West Provinces, in the latter of which it is declared, that the operation of determining the assessment is "not one of arithmetical calculation, but of judgment and sound discretion." We are well satisfied that absolute accuracy cannot be obtained; but in endeavouring to fix the assessment on the basis of the net produce or rent, we apprehend that you would be pursuing a course founded on correct principles, although but imperfectly attainable in practice. For the attainment of this object, as of many others contemplated in the revised settlement, it is probable that much useful information may be gathered by consulting the most intelligent and influential inhabitants of the villages in course of assessment. The main point to be regarded is, that the assessment should be fixed at a rate sufficiently moderate to allow for errors of judgment on the part of the settling officer. If this be attended to, the effect of any inequalities which may occur, will only be to render the lower assessed fields more valuable than those on which a higher assessment is imposed; but in all cases the share of the net produce left to the cultivator, after defraying the assessment and the expenses of cultivation, will still be sufficient to render his land a desirable property.

Directions to settlement officers, para. 51.

Directions to settlement officers, N. W. P. paras. 53 and 54.

21. The proportion of the produce to be taken as revenue being determined, the next step, you observe, is to decide the principle on which to convert it into money. You propose that the assessment of each field should be fixed in terms of so much grain, and that the grain should be converted into money at the average price of the preceding seven or ten years (according to the period that it may be thought advisable to take), and that the prices so fixed should endure for a term of the same length, at the expiration of which they would again become liable to readjustment on the same principle. You are also of opinion, that the grain assessment should not be fixed in perpetuity, but declared unalterable for a period of 50 years.

Paras. 20 to 23.

*N.B.*—It is also suggested, that the mode practised in this country for the commutation of tithe into a rentcharge, might perhaps be beneficially adopted, viz., to take the conversion price of each year at the average price of the preceding seven years.

22. We entertain great doubts of the expediency of these proceedings. We think that the rates, as we propose them to be assessed, should be sufficiently moderate to allow for all ordinary fluctuations in the prices of grain, and that all needlessly frequent alterations in the amount of the ryot's payments should be avoided. The grain assessment having been determined and converted into money at a fair and moderate rate, we should prefer that the assessment so fixed should be declared unalterable for a term of 30 years (as in Bombay and the North-West Provinces), at the expiration of which period both the amount of the grain assessment, and the rate of its conversion into money, would be subject to readjustment, according to existing circumstances.

23. In these paragraphs you have discussed the means which it may be possible to adopt to diminish the evils arising from the existence of very small holdings, and consequently of a class of ryots scarcely, if at all, above the grade of paupers. The economical disadvantages of a minute subdivision of holdings are very generally admitted, both under your Presidency and that of Bombay. The two main causes of minute holdings you state to be, first, the practice of equal partitions of property among heirs; and secondly, the facility with which men, without any capital or any interest in the soil, have been allowed to obtain land.

Paras. 24 to 27.

24. From a statement appended to the Board's Report on the Land Revenue Administration for 1853–54, it appears that out of a total number of puttahs (excluding joint puttahs) of 14,09,729, no less than 8,34,190 were for sums below 10 rupees, and give an average assessment of 3½ rupees for each holding.

25. You observe that, "under the new settlement in Bombay, an attempt has been made to check the evil by positive restrictions on the size of holdings, and similar measures have been proposed" for your Presidency. We have already called your attention to the Bombay rules, and to the effect which, without interfering with existing interests, it is hoped they may exercise eventually on the size of holdings. The small fields which now constitute separate and distinct occupancies may ultimately become consolidated into one survey field, and

Letter from Court of Directors to Government of Fort St. George, 17 Dec. 1856.

no land now uncultivated will be allowed to be taken up in a smaller quantity than a survey field. No further subdivision will be permitted, and although under the law of equal partition, the interest in the land may be divided among the members of the family of a deceased occupant, the integral field will be held liable for the revenue assessed on it, in the event of default on the part of any or all of the joint-tenants.

26. Although the Bombay rules may not be applicable in all respects to the circumstances of your Presidency, we conceive that it will not be impracticable to establish regulations which, while differing in form, may still tend to the same end. It is easy to conceive that under the Hindoo law of inheritance, holdings (we do not under this term refer to single fields, but to all the fields in the occupation of one individual) may be so split up into minute portions, that the produce of each shall be barely sufficient to maintain the cultivator and his family, leaving no surplus out of which to pay any assessment. We consider that the Government has a clear right to take measures to prevent the occurrence of a state of things which will ultimately dry up the source from which the revenue on which it mainly depends, is derived. In the exercise of this right, they may justly declare that the fields actually occupied and cultivated at the time of the survey, falling within a certain defined limit, shall not be further subdivided, but that whatever division of interests may hereafter arise under the law of equal partition, the whole field will continue liable for the whole revenue fixed upon it; that persons desirous of engaging for fresh land, will not be permitted to take it except in fields of a definite size, unless, together with that of the fields which they may already occupy, the assessment of the whole holding shall not fall below any amount which you shall hereafter determine. You might also declare that the holder of any small portion of land falling into arrear (a circumstance which will probably occur not unfrequently when the grant of remissions, except under a general calamity of season, ceases to form a part of the revenue system) shall not be allowed to have a fresh puttah, but that it shall be added to the holding of any person willing to engage for it, provided the whole holding does not fall below the prescribed size. We would also suggest that no ryot, desirous of contracting his cultivation, should be allowed to do so by giving up land which would reduce his holding below the prescribed limit.

27. We cannot doubt that rules framed in accordance with the principles indicated in the preceding para. would have the beneficial effect of preventing further subdivision of holdings, and ultimately of getting rid of a large proportion of the very small ones which now exist, and further, that they might be carried into effect without any objectionable interference with private rights.

28. In para. 27 you have referred to the rights of meerassidars over the waste lands of their villages, and you observe, that "under moderate assessment land will become valuable, the rightful holders will occupy it themselves, subletting it, or part of it, and will no longer quietly submit to its being given away to those who have no rightful interest in it." The question involved in this paragraph, is one of very considerable importance, and it would appear that you now propose to deal with it in a manner at variance with the practice which has hitherto prevailed. We desire that, in the disposal of waste land, you will be guided by the principles laid down in para 55 of our despatch of the 28th July (No. 8) 1841, and paras. 31 and 32 of despatch, dated 3d July (No. 17) 1854, and which are more fully enunciated in your Minutes of Consultation of the 1st March and 24th July 1849.

Circular Orders of the Board of Revenue, para. 321.

29. We see no reason to change the opinions respecting the rights of meerassidars which we entertained when those paragraphs were written. Wherever, as in Tanjore, any remains of meerassy-right have survived to the present time, and have an actual existence, we do not desire that it should be interfered with; but where, as in the greater portion of your Presidency, it has fallen into desuetude, and has only been known in name ever since we have obtained possession of the country, we think that it would be unwise and inexpedient to make any attempt for its revival.

30. When applications for waste land are made by strangers, they should be communicated to the resident cultivators of the village, whether claiming to be meerassidars

meerassidars or not, and the option should be given to them of engaging for it, finding security for the payment of the assessment should they, or any of them, think fit to do so; they would, of course, be at liberty either to cultivate the land themselves, or to sub-let it; but the payment should be strictly enforced, in order, on the one hand, to prevent transactions in the nature of land-jobbing; and, on the other, to deter the villagers from engaging for land merely for the purpose of excluding others who might be desirous of holding it direct from Government, but who objected to take it as their sub-tenants. In cases where the resident ryots should refuse to engage for the waste lands of their village, Government may exercise the right of granting them to the persons applying, who would then hold the same position, and possess the same rights in all respects as the other ryots of the village. Min. Cons. 24 July 1849.

31. In these paragraphs you refer to the practice of yearly holdings, and you state that "it seems desirable to adopt measures to introduce a more permanent occupancy." "Under the present system," you observe, "a ryot is held to be entitled to hold his land so long as he pays the demand on it. The Government cannot oust him to give the land to another; but he is free to throw up the land whenever he pleases. Practically, under this system, many fields are held permanently, although the ostensible title is only the annual puttah." Paras. 28 and 29.

32. The means by which you propose to give this greater permanency appear to be, first, by converting the annual puttah into a perpetual one, or at least, for so long as the ryot shall not desire to contract or to increase his holding; and, secondly, by allowing ryots occupying "holdings of some considerable size," to compound for a fixed annual payment, either for a term of years or otherwise, making certain allowances for waste, for fallow, for bad seasons, &c.

33. The objection to the latter of these plans appears to be that, although ryots would probably be willing to engage for their holdings for a sum somewhat below the aggregate amount of the assessment on the fields composing it, and would continue to pay it so long as the seasons were favourable, yet, in a year of failure, when scanty crops might be combined with low prices, there would be no means of keeping them to their engagements. The contract, in short, would be altogether and solely for the advantage of the ryot, and under a moderate assessment, such an arrangement seems unnecessary either to induce extended cultivation, or to secure permanence of occupancy.

34. The first plan, however, appears highly desirable, and we observe with satisfaction that it has already been partially brought into operation. In their Report on the Revenue Administration for 1853-54, the Board of Revenue say that they propose "establishing the rule that each ryot is answerable for his holding of the preceding year, unless within a fixed time he presents a writing, detailing any fields which he wishes to resign, or any new land which he wishes to occupy. All these representations," they state, "are to be promptly settled; and on their completion, the cultivation returns of the year showing the land under occupancy will be drawn out. The Board have already sanctioned this change of system in Nellore and South Arcot; and now that the assessment is in process of being placed on a modified and sounder basis, they hope that the ryotwary system will gradually receive its intended development, and display a series of estates held by substantial proprietors with little annual charge." Under this arrangement, the interference of the native revenue officers will be reduced to the lowest possible amount, and, in fact, no interference will be called for except at the cultivator's own request. Letter dated 4 July 1855, para. 21.

35. The extent to which it is proposed in this paragraph, that the revenue survey and assessment should be carried, seems to be judicious. It will include all land usually cultivated, and all that has been cultivated within memory, or according to the village accounts, as well as such as may seem likely to be brought under the plough, under the operation of an improved revenue system. Jungle, and utterly unreclaimed waste, will not be surveyed in detail, the total area only being determined. Para. 30.

36. These paragraphs are devoted to the consideration of the probable effects of the proposed measures on the revenue of your Presidency. You are of opinion that they will be followed gradually, but surely, by a great extension of cultivation, and you anticipate with confidence that the result, "instead of a falling Paras. 31 to 35.

off, will be an accession to the revenue, while, as respects the payers and the public, the gain will be enormous, the revenue will be derived from sources double or treble those upon which it is levied now, and will be paid with corresponding ease and absence of privation."

Madras Selections, No. 22, papers relating to the revision of assessment in South Arcot.—Note *ad finem.*

37. We are disposed to concur in these expectations, and the probability of their realization is borne out by the actual results of the revisions of assessment under the Presidency of Bombay, as well as by the effects of the introduction of reduced rates into the district of South Arcot.

38. It must, however, be borne in mind that the large augmentation of agricultural produce, which may be expected to ensue on the reduction of the assessment, will, if confined to grain for local consumption, and especially if ready means for transporting it to distant markets are not simultaneously provided, probably lead to a considerable decrease in the price, and that the ability of the ryot to pay the lower assessment, may be in reality no greater than that which he now possesses under a higher one. It is therefore of the utmost importance that encouragement should be given to the production of sugar, cotton, and other articles suited for exportation; and that, as we have already remarked in our despatch of the 8th November (No. 23) 1854, when referring to the expected increase of produce consequent on the construction of extensive works of irrigation, ready means of inter-communication between the several districts should be afforded. Although not specifically stated in the resolution which we have been reviewing, we presume that provision will be made in the new arrangements for the formation of district road funds, on a principle similar to that established in South Arcot, which was approved in para. 20 of our despatch, dated the 18th July (No. 11) 1855.

Paras. 36 to 44.

39. The agency proper for effecting the survey and assessment, and the cost of both operations, have next to be considered.

40. You propose that the survey should be conducted under the superintendence of a surveyor-general, who should be an officer of scientific acquirements, and who should receive a salary of 1,000 rupees per mensem, in addition to the ordinary pay and allowances of his rank. Under this officer you would place at least four deputy surveyors-general, with staff pay at the rate of 650 rupees per mensem, each in charge of a separate geographical division of the operations. The total cost of the survey, assuming the area to be subjected to it at 38,000,000 acres, or 60,000 square miles, you estimate at 38,40,000 rupees, and the time that it would occupy at 22 years.

41. You are of opinion that the assessment and settlement, including the classification and valuation of the land, should be entrusted to a different agency. You accordingly propose that a revenue officer of experience should be constituted superintendent of settlement, with a salary (to avoid frequent changes of incumbency), not less than that of a member of the Board of Revenue, with deputies under him at 1,000 rupees per mensem, one of whom it would probably be found expedient to have following each deputy surveyor-general. Estimating the extent of land to be brought under settlement at 38,000,000 acres, and the cost at 10 rupees per hundred acres, the total amount will be 38,00,000 rupees, which, added to the cost of the survey, will give an aggregate sum of 76,40,000 rupees.

42. You observe that the amount is large, but that as it will be spread pretty equally over a period of 15 or 20 years, it will amount to no more than a charge of from one to one and a half per cent. on the annual revenue. The information which you have requested from the Government of India, as to the salaries and establishments of the settlement officers in the North-West Provinces, and the nature of their duties, will, when received, probably lead you to modify in some respects the scheme of establishments which you have suggested; when this shall have been finally settled, you propose to submit detailed statements for the sanction of the Government of India. We will here remind you, that much information is possessed by the Bombay Government regarding establishments, both of survey and assessment; and amongst other competent authorities, we refer you especially to the reports of Major Wingate and Mr. Goldsmid on this subject.

Paras 44 and 45.

45. We

43. We fully concur in your opinion that the cost about to be incurred is not more than commensurate with the importance of the objects sought to be attained by it; and we therefore give our sanction to the expenditure required. We would only remind you that the work should be pushed on as fast as efficient establishments can be organized, not only that the people and the Government may the sooner benefit by the projected measures, executed with caution and judgment, but also from motives of economy, as it is obvious that the expense of superintendence need not be increased in a ratio proportionate to the increase of the work, whether of survey or assessment, which must be performed in the field.

Letter from Court of Directors to Government of Fort St. George, 17 Dec. 1856.

44. In his minute, dated the 13th March 1856, Mr. J. P. Grant has pointed out that, from the circumstance of the settlement being ryotwar, it does not necessarily follow that each individual ryot should pay his dues direct into the public treasury. In our despatch, dated the 31st January (No. 1) 1849, we suggested the expediency of your requesting information from the Government of Bengal, as to the mode in which the settlement of Cuttack had been conducted, with the view of ascertaining whether any of the principles there adopted could be made applicable to the Northern Circars. This system was examined by Mr. Walter Elliot, who appears to have arrived at the conclusion that a system similar, at least in some respects, to that of Cuttack, might be introduced with advantage into those districts. Mr. J. P. Grant also expresses a similar opinion, observing that "nothing could have worked better than the last settlement of Cuttack." We do not wish to issue any positive instructions on this point; but we think that the recommendation of Mr. Elliot, together with some other suggestions offered by Mr. Grant in his minute before referred to, should receive your careful and deliberate consideration.

Minute, 8 June 1854.

Minute, 13 March 1856, para. 9.

45. In conclusion, we have to express our entire satisfaction at the liberal and enlightened spirit in which this important subject has been discussed, and at the lucid and able manner in which your conclusions and recommendations have been placed before us in your Minutes of Consultation of the 14th August 1855. As you will now be in possession of our general sanction to the expenditure involved in the execution of this great measure, and of our view of the principles on which it should be conducted, we have only to state, in full concurrence with the sentiments recorded by your Government, that we should "deeply regret if any further delay were permitted to intervene in entering on a work which has been accomplished, or is in course of execution in all the other divisions of the British Indian Empire, which is universally admitted to be urgently required" in the Madras Presidency, "and which is, indeed, absolutely necessary wherever a land-tax constitutes the chief part of the public revenue, because it affords the only sound data for judging of the value of the land."

Para. 43.

We are, &c.
(signed) *W. H. Sykes*,
*R. D. Mangles*,
&c. &c.

London, 17 December 1856.

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LETTER from Court of Directors to Government of *Fort St. George.*

Public Works Department, 2 July (No. 8) 1856.

Our Governor in Council at *Fort St. George.*

Para. 1. THE letters and paragraphs referred to in the margin, report your further proceedings in connexion with the Godavery and Kistna Annicuts, up to February 1855, since which date no information on the subject appears to have been transmitted to us. We should wish to be informed of the reason of this omission.

Letter dated 24 April (No. 25) 1854.
Ditto 13 Dec. (No. 77) 1854
Ditto 15 Dec. (No. 80) 1854
Ditto 24 Mar. (No. 15) 1855, paras. 15 to 18.

2. It would appear that the sum sanctioned for the Godavery Annicut and its subsidiary works (21,50,000 rupees) has already been exceeded, but to what

Godavery Annicut

Letter from Court of Directors to Government of Fort St. George, July 1856.

precise extent is not stated, the estimates which have from time to time been sanctioned for particular portions, as the undertaking advanced, being scattered over your proceedings, and nowhere brought together in a comprehensive view. We shall accordingly await the receipt of the full report on the whole subject of this annicut, which the Board of Revenue was required to furnish by your Minutes of Consultation of the 17th June 1854.

3. We think that the refusal of the late Governor in Council to entertain the project submitted to him for continuing the channel of irrigation and navigation which leads from that portion of the Godavery Annicut which had been completed to Samulcottah, by extending it northwards from Samulcottah to Toonee, on the borders of the Rajamundry and Vizagapatam districts, at an estimated cost of 2,34,304 rupees, was justifiable, on the ground that the proprietors, through whose lands the channel was proposed to be carried, would have reaped the immediate profits arising from the expenditure of so large a sum of money, and that there would have been left to Government the irksome task of recovering from those proprietors a fair compensation for the labour and capital so expended.

4. In that instance, as well as in all similar cases, projects of this description should be carefully considered after full communication with the landholders, whether zemindars paying a fixed perpetual jumma (peshcush) or on tenures still more favourable, such as those of persons holding their lands, either at quit-rents or altogether rent free. It was indeed observed by the late chief engineer Colonel A. T. Cotton, the projector of the great works on the Godavery River, that the Government retained in its hands the power of withholding water from all parties who refused to pay an equitable rent or rate for its use, and that, therefore, the demand for an equitable rent on that account, could not be viewed in the light of increased taxation, as it was quite optional for the parties interested to make a choice between the cost and the profits arising from the employment of the canal water in irrigating their crops.

5. But we must observe, that Colonel Cotton has availed himself of every opportunity to impress upon your government the absolute necessity of clearly defining, by a careful survey and valuation, the lands which have reverted to Government by the insolvency of zemindars, both of the ancient or modern classes, as a necessary preliminary to the introduction of a satisfactory rate for a regulated supply of water, independently, however, of either the quality of the soil or the crops annually or periodically grown.

6. With regard to the question as to the terms on which "private individuals are to be allowed to partake in the advantage of public improvements," we notice that in Rajahmundry an arrangement was in the first instance authorised, under which a teerwajastee was provisionally imposed at the rate of one rupee per pootee on all wet lands receiving additional water, and of two rupees per pootee on dry lands converted into wet, the Commissioner and Collector being of opinion that "the moderate assertion and admission of the principle having been thus established, sufficient had been done in the first instance in overcoming a difficulty which promised to provoke much resistance and opposition." A pootee in Rajahmundry being understood to be about eight acres, we are inclined to concur with you in thinking this rate inadequate, and that its imposition in the first instance may tend to throw great difficulties hereafter in the way of settling a rate of assessment which shall be liberal "to the cultivator," and at the same time, "just to the Government." We desire to be informed of the result of the instructions which you addressed to the Commissioner on this subject, under date the 5th November 1853.

7. We observe with satisfaction the statement in Mr. Walter Elliot's report on the revenue administrations of the Northern Circars, for Fusly 1262, dated the 28th August 1854, that measures had "been taken for the systematic application of an irrigation tax on lands, both on full and favourable assessment, which would come into operation from the commencement of Fusly 1264 (1854–55)," and that you had called for a special report on the measures there alluded to, remarking, that the question was one of great and obvious importance, and that its early settlement was essential.

8. With

[redacted]eference to this subject, we would call your p[redacted]icular attention to Letter from Court of Directors to Government of Fort St. George, 2 July 1856.
[redacted]g and instructive report prepared under our or[redacted]s by Major Baird [redacted]. the Bengal Engineers, on the irrigation of Northe[redacted] Italy, printed in which shows in the most convincing manner the import[redacted]ce of an early [redacted]ion of all local rights in the lands, independently of the r[redacted]ht of Govern[redacted]to demand a proper remuneration for the irrigation of their [redacted]ds.

[redacted]We observe, with much satisfaction, that the Kistna Annicut [redacted]eceived no Kistna Annicut.
[redacted]ge from the extraordinary floods which occurred in July 185[redacted] and that [redacted]iver in the following season was so unusually low as to offer [redacted]reat and [redacted]pected facilities for carrying on the works in progress. The annicu[redacted] in its [redacted]t state (September 1854) is represented to "exceed in dimensions an[redacted] work [redacted]kind previously constructed in the same relative circumstances," and its [redacted]ition is stated to be very satisfactory. The amount expended on it up to [redacted]end of June 1854 was 5,69,867 rupees, leaving a balance out of the sanctioned estimate of 1,96,674 rupees; but as some change in the original plan of construction was in contemplation, it appears probable that the estimate will be to some extent exceeded.

10. We entirely approve your instructions to the Commissioner in the Northern Circars, in regard to the prompt settlement of all claims to compensation on the part of mauniemdars, whose lands have been occupied for public purposes during the progress of the annicut works.

11. We approve the manner in which the instructions contained in our despatch of the 28th June (No. 15) 1854, have been carried out, as reported in your letter of the 15th December (No. 80) 1854.

12. You will perceive by our despatch, dated the 27th May last (No. 6), para. 29, that we took advantage of the opportunity afforded by the reports of some proceedings connected with the Godavery and Kistna Annicuts, to convey to you our authority to undertake such subsidiary works as are the necessary development of these important undertakings, without first obtaining the sanction of the Government of India for the requisite expenditure, all cases in which you shall see reason to exercise this authority being immediately reported to that Government and to us.

We are, &c.
(signed) *W. H. Sykes,*
*R. D. Mangles,*
&c. &c.

London, 2 July 1856.

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(True copies.)

East India House, May 1857.

*J. S. Mill,*
Examiner of India Correspondence.

EAST INDIA. (MADRAS PRESIDENCY, &c.)

# PAPERS relating to the Revised Survey and Assessment of the Madras Presidency, and on the Godavery and Kistna Annicuts.

(*Mr. Seymour.*)

*Ordered, by* The House of Commons, *to be Printed,*
22 *May* 1857.

51—Sess. 2.

*Under* 4 *oz.*

# EAST INDIA (PAPER MONEY).

RETURN to an Address of the Honourable The House of Commons, dated 29 April 1862;—*for*,

A "COPY of all the DESPATCHES to and from the Government of *India* relative to the Issue of PAPER MONEY (in continuation of the last Return)."

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India Office,
5 May 1862.

T. L. SECCOMBE,
Secretary, Financial Department.

(*Mr. Henry Baillie.*)

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*Ordered, by* The House of Commons, *to be Printed*,
6 *May* 1862.

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# CORRESPONDENCE, &c. RELATIVE TO THE

COPY of all the DESPATCHES to and from the Government of *India*, relative to the Issue of PAPER MONEY (in continuation of the last Return).

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FINANCIAL DEPARTMENT.—No. 102 of 1860.

To the Right Honourable Sir *Chas. Wood*, Bart., M.P., Secretary of State for *India*.

Sir,

WE have received your letter of the 26th of March, No. 47, acknowledging the receipt of Mr. Wilson's Minute upon the subject of a paper currency for India, and which embodied the plan which appeared to us best calculated to attain that important object. It is highly satisfactory to us to know that it has met with your general concurrence and approval.

In the meantime you will have learned that the plan has been laid before the Legislative Council, and that a Bill to give effect to it has been read a first time. The preparation of the Bill has taken more time than we anticipated, but we expect that it will be submitted to the Legislative Council next week, and read a second time, when it will be published in the Gazette, and as usual suspended for three months; we then propose to send you a copy of the Bill, and to enter into all the needful details, not only in explanation of its provisions, but also in reply to your despatch now before us; and we shall thus have time to hear from you before the Bill is considered in Committee

There are, however, two or three points to which we are anxious to lose no time in replying: the first is, that you will observe by Mr. Wilson's statement, that it is no part of our plan to give orders for payment from one office of issue upon another; this function had been suggested in many questions, but upon consideration it appeared to us to belong to the business of a banker, and not to the Government; and Mr. Wilson therefore proposed that the functions of the Government Issue Departments should be confined strictly to those which are exercised by the Issue Department of the Bank of England, "to exchange notes for bullion or coin, and *vice versâ*, or notes of one denomination for those of another."

The next point upon which we would remark is, that you have correctly understood that we did not contemplate under the system, being constantly purchasers and sellers of Government securities. Our belief is, that whatever amount of Government securities we may gradually absorb as representing a portion of the circulation, may be regarded as being permanently withdrawn from the public, and the debt of India will be practically reduced to that extent.

Another point upon which it appears that some misapprehension exists, is as to the amount of cash reserve which it is proposed to retain in each of the offices of issue. You will observe, that when we fix the amount of one-third as a reserve in coin, we do so as a minimum. Of course ordinary caution would point to the necessity of retaining, for a long time, at first, a much larger reserve, and to the obvious policy of looking rather to the security of the system than to any profit which it may yield to the Government, until the system shall become well fixed in the habits of the people of the country.

The only other point to which we shall now advert, is that raised in para. 11 of your letter, viz., as to the place where the notes shall be manufactured; upon this point you express a wish to be furnished, as early as possible, with our opinion. We have considered this subject very attentively, and although there are many reasons on account of which we should be glad to adopt the plan you suggest, of having the notes manufactured in England, yet there are others which we think will render it altogether impracticable.

In the first place we must call your attention to the fact, that we shall have, according to the best information we at present possess, at least 17 currency circles,

circles, and as we shall have six different denominations of notes, we shall have to supply no fewer than 102 descriptions of notes in all. If they were manufactured in England our stock in hand would require to be ample at all times, of each of these descriptions of notes; whereas if we manufactured them here, we shall only, as we shall presently explain, require to keep in stock six, in place of 102 descriptions.

If you will enquire into the practice at the Bank of England, you will find that the notes are printed by two separate operations. In the first operation is impressed all the parts of the note which are common to all notes of the same denomination, wherever issued: in the second operation is impressed the portion which defines the special issue; that is, in the first, the general wording of the note, and its denomination corresponding with the water-mark is impressed; and in the second, the number, the date, and place of issue, and the signature are added, and the note is complete and ready for issue. The Bank of England therefore keeps at all times a large stock of 5 *l.*, 10 *l.*, and other denominations of notes on hand in the half printed state; the variety being confined to the number of denominations of notes issued; and every day as orders are received for the London issue, or Liverpool or Bristol branches, the exact requirements of the day are completed from the general stock and sent off; by this means not only is an infinitely smaller stock needed, but the security of keeping the store is much greater, as no note is in a completed state till it is required for actual dispatch to the branch.

The convenience and security attendant upon this arrangement would be infinitely more applicable in the case of India. If printed in London, we should require to have always on hand in Calcutta a stock of 102 descriptions of notes all completed and capable of being circulated, and of course exposed to a corresponding degree of risk; if printed here, we should have on hand an ample stock of blank paper with the water marks, and a stock of the six denominations only of half printed notes, and each day as orders came in from the different circles for any number of these denominations they would be completed and despatched forthwith, as they are to the branches of the Bank of England; by this means we shall be able to secure a supply of every description of notes to each branch of issue, by keeping a comparatively moderate stock on hand, and at infinitely less risk.

In the next place, we cannot but think that the risk of transmitting blank forms from England, and of keeping them in stock here in that shape, or in the half completed shape described, will be much less than if from the time the notes leave England until they are actually required for issue here, they are in a complete and perfect condition for circulation.

Again, with all the care and forethought that can be exercised, and even with a very large aggregate stock on hand, it will be impossible to avoid being deficient at times of some of the 102 descriptions of notes required, if we are to rely upon their supply from England.

But there is still another difficulty; one of the great checks which the Bank of England possesses against forgery, and for the identification of their notes is found in the special numbering of each day's issue, as applicable to the date of the note and the plan of its issue; of this we could only avail ourselves by the printing being done here.

Upon the whole, therefore, however glad we should be to avail ourselves of the easier method of having the notes manufactured in England, there are too many practical reasons against it to enable us to recommend it.

As you are aware, we have already one of the most perfect mint establishments in the world. We have examined how far in our manufacture of notes we can have the advantage of the mechanical skill and appliances of that establishment, and there seems no doubt that there is ample room for attaching our note establishment to the mint, and that there is a sufficient steam power to supply both operations; by this means too we shall not only have the security which the mint affords for our reserve of coin, together with the greatest convenience for converting our bullion purchased with notes into coin, but that that connexion between the mint and the paper currency which you think cannot be too close or made too apparent, will be secured to the greatest possible extent.

A currency circle map of India has been prepared, and will be referred to the different local Governments for their opinion upon them in their own divisions respectively, and as soon as possible a copy will be transmitted to you for your information and approval.

We have, &c.

Fort William, 4 May 1860. (signed) *H. B. E. Frere.*
*J. Wilson.*

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FINANCIAL LETTER to *India*, dated 30 November 1860, No. 195.

1. I OBSERVE from the Calcutta Gazette of the 3d October last, that the Bill to provide for a Government Paper Currency in India, was read a second time in the Legislative Council on the 22d September last, and was referred to a Select Committee, who are to report thereon after the 3d of January next.

2. In your financial letter, dated the 4th May 1860, you stated that when the Bill was read a second time, it would be published in the Gazette, and as usual suspended for three months, and that you would then send a copy of the Bill, and "enter into all the needful details, not only in explanation of its provisions, but "also in reply to your despatch now before us, and we shall thus have time to hear "from you before the Bill is considered in Committee."

3. The promised communication has not, however, yet reached me.

4. In the Bill, as read a second time, the instructions contained in my Financial Despatch of the 26th March 1860, No. 47, relative to the means of insuring the convertibility of the notes, and the observance of which is, I consider, absolutely essential to the well working of the measure, have not been acted on. The alterations that are called for, will probably be made in the Bill in Committee, but I have deemed it necessary at once to draw your attention to the subject, in order to ensure the necessary alterations being made in the Bill.

5. I must desire that your assent may not be given to any Bill until it has been submitted for my consideration in Council.

6. Arrangements have been made with the Bank of England for a sufficient supply of notes for the commencement of operations under the proposed Act, and the question of the most expedient mode of printing the notes can be determined hereafter, when experience shall have decided whether any practical inconvenience would attend the supply being made from this country.

I have, &c.
(signed) *C. Wood.*

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To the Honourable the LEGISLATIVE COUNCIL of *India*.

Despatch from the Secretary of State for India, dated 26 March 1860. From Secretary to Government of Bombay, dated 20 August 1860, and enclosures.

THE Select Committee appointed to consider the Bill to provide for a Government Paper Currency have the honour to report that they have received the communications noted in the margin.

They have gone carefully through the Bill, and have made certain amendments therein, which are contained in the copy of the Bill annexed to this report.

In order to explain the nature and object of the more important amendments, it is necessary to refer briefly to the circumstances which have occurred since the Bill was read a first time and printed.

It then embodied, in the form originally proposed by Mr. Wilson, the scheme of that lamented statesman for the establishment of a great and novel system of paper currency throughout India.

The leading features of that scheme consisted in the issue, at various circles into which India was to be divided, and through the agency of an independent body of commissioners, of a paper circulation of notes, from 5 to 1,000 rupees, based on a reserve, partly of specie and partly of securities, in a proportion which might fluctuate from time to time, but was in no case to fall below that of one-third of specie to two-thirds of securities.

This

This scheme, which was fully explained by Mr. Wilson in a most able minute and speech, gave rise to many comments, but his untimely death makes it impossible to know how far he might have been disposed to modify it; and the Bill was read a first and second time, with a distinct understanding on the part of members of the Legislative Council that they were not to be considered as committed to its detailed provisions. In the meantime a despatch was received from the Secretary of State for India objecting to the principle on which the Bill was founded, of issuing notes against a fluctuating reserve of securities, and stating the opinion of the Home Government that the principle ought to be the same as that adopted in England, of permitting issues of paper only against actual coin or bullion, with the exception of a certain limited amount to be defined by law, below which it might be reasonably supposed that the paper circulation could never fall.

The Committee concur with Sir Charles Wood in thinking this principle safer and more applicable to the circumstances of India.

It is the principle sanctioned by experience, and by a great preponderance of authority in England, and it presents the great advantage of securing a paper currency absolutely identical, beyond a certain safe limit, with the metallic currency which it displaces, and free from those risks which, under the most able management, attend an extensive issue, by the Government, of promissory notes, based on a large proportion of securities, which in times of difficulty, might be almost inconvertible.

It is an advantage also that, under this plan, the temptation will be diminished for the Government to force the circulation of notes further than the country is prepared for them; and that the necessity will be removed for frequent interference of the State with the money market by the purchase and sale of securities.

Your Committee have accordingly amended the Bill by striking out the 10th and 11th sections, and introducing a clause declaring that all issues of notes shall be made against actual coin or bullion, with the exception of an amount, in no case to exceed four crores of rupees, which may be issued against securities.

They have fixed on the sum of four crores as the maximum limit, because this is very nearly the amount which may be issued in excess of actual specie by the present banks under their existing charters.

The banks of Bengal, Madras, and Bombay are authorised to issue, in the aggregate, notes to the amount of five crores of rupees, with a reserve of one-fourth of their total liabilities in specie to meet their notes and other demands; and your Committee have thought it right that the mercantile community should have an assurance that the present amount of authorised issue should not be curtailed, as might practically be the case, if a lower limit than four crores were adopted.

Within this limit, also, we think the Government whose general credit and cash balances are, by the words which we have introduced, made distinctly responsible, as well as the special reserve, may be safely trusted so to regulate their issues as not to endanger the payment of their notes, for which purpose it will be essential that they should not, at first, exercise the full power of issuing up to the four crores against securities, but should proceed with great caution, feeling their way gradually, and always maintaining an ample reserve of specie. Beyond the limit of four crores no issue whatever will be permitted, except against actual coin or bullion in the vaults of the mint or local treasuries, unless the Legislative Council should hereafter see fit, after experience of the working of the law now proposed, and full discussion and consideration, to pass a further law on the subject.

This fundamental change in the principle of the issue of notes, makes several changes necessary in the machinery of the Bill.

When the function of Commissioners is reduced to the simple one of giving notes for specie, or specie for notes, it is obviously unnecessary to provide for an expensive staff, or to make them independent of the Government.

The Masters of the mints may probably be the Commissioners at the Presidency towns, and the ordinary collectors may act as deputy commissioners at other places.

In certain cases, it may be advantageous to use the agency of banks, especially at the Presidency towns, or at large places of commerce, where branches may be established.

Such an agency would in no respect alter the character of the issue, which would

would remain that of the Government, who would retain the exclusive possession of the reserves against which the notes were issued, but the banks would simply act as agents for the purpose of greater economy and convenience in paying or issuing Government notes to the general public.

Accordingly, instead of the section obliging the Governor General in Council, by a certain day, to divide all India into circles, and to appoint Deputy Commissioners in each, we have substituted sections giving a discretionary power, except as regards the Presidency towns which are the centres of separate circles, of appointing from time to time such circles as may be found expedient, and of making such arrangements with Government offices, banks, or other persons as may be necessary to facilitate the issue and payment of notes. As regards the circles, we are disposed to leave much discretion to the Government in exercising the power of creating them, as experience only can show to what extent it may be necessary to resort to it.

It is clearly impossible to make notes issued at one place payable everywhere, as this would entail the necessity of keeping a reserve adequate for the whole circulation at each point, and it is difficult to enact that notes shall be a legal tender at an extreme distance from any place where cash can be legally demanded for them.

Hence has arisen the necessity for circles; but it cannot be denied that the division of India into separate circles would be in many respects an evil, and that it would be very desirable that an uniform circulation should be established over as wide an area as possible.

We are not without hopes that, under the arrangements contemplated, this may be, to a considerable extent, attained, and that, as confidence is extended, Presidency notes, if received at the Government Treasuries, may, with the aid possibly of an auxiliary gold currency, become practically such a general medium of exchange throughout India as to supersede, in a great measure, the necessity for local notes.

With reference to the question of gold we have introduced an important amendment.

Without attempting to discuss the questions which have been raised respecting a double standard, or to depart in any respect from the principle of a sole silver standard, we have thought that it would be a considerable advantage to provide for the possible application, in India, of the same principle as regards gold as is applied in England in regard to silver.

In England, where gold is the sole standard, the Bank of England are authorized to issue not exceeding one-fourth of their gold coin and bullion against silver.

We have given a power of issuing up to one-fourth part of that portion of the circulation of India, which is represented by actual coin or bullion, against gold coin or bullion, at a rate to be fixed by the Government from time to time, and not altered without six months' notice.

With ordinary prudence the Government cannot lose by taking a limited amount of gold at a price to be fixed by itself, while it may be a great convenience to commerce in many cases, to know that gold can be made available as money at a certain fixed rate.

Nor is it impossible that, if a certain fixed minimum value be thus given to gold, and it can be freely taken at the Government treasuries at this rate, the superior convenience of gold, and its adaptation to native wants, may give it a higher value; and thus, in course of time, a considerable auxiliary gold currency may be introduced. Should these expectations not be realised, no harm will have been done, and the clause will simply remain a dead letter, showing, that with a sound paper circulation superadded to silver, nothing more is wanted.

Your Committee have anxiously considered another point; namely, what should be the lowest denomination of notes which should be issued as a legal tender.

The disadvantage of issuing two sorts of notes, one of which should be a legal tender and the other not, seemed to be such that it was desirable to make all the notes uniform in this respect.

This being so, your Committee have thought that, on the whole, it would be more prudent not to authorize, at present, a lower denomination of notes than for 20 rupees.

With a circulation of 5 and 10 rupees' notes, it appeared to several members of your

your Committee that there would be considerable risk of exciting suspicion and discontent among the mass of the community, who might be compelled to take payments in an unaccustomed medium, for which they could not readily obtain change without loss.

If, under the proposed provisions as to gold, that metal should come into general circulation, the use of small notes would be in a great measure superseded by a medium which, from its intrinsic value and power of uniform circulation, must be admitted to possess some important advantages over any form of small note currency.

If, on the other hand, those apprehensions should be groundless, and after a short time, when the the public are familiarized with the larger notes, a spontaneous demand should arise for notes of a smaller denomination, it will be easy to introduce a Bill extending the limit below 20 rupees.

The other amendments are merely matters of detail, which will be seen by reference to the Bill.

Your Committee have been unanimous in adopting the amendments now submitted to the Legislative Council, and they trust that the Bill, as it now stands, will be found to embody a safe and practical scheme for extending to India the benefits of a circulating medium better adapted for her wants, and for the rapid expansion of her trade and industry, than that which she at present possesses, of a purely metallic silver currency.

The two last sections of the Bill have been omitted, because the Penal Code seems to contain similar enactments.

*S. Laing.*
*H. B. E. Frere.*
*H. B. Harington.*
*H. Forbes.*
*A. Sconce.*
*C. J. Erskine.*

16 February 1861.

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[The amendments in the Bill are printed in italics. The words in the margin are those proposed to be omitted.]

## AMENDED BILL.

### A BILL to provide for a GOVERNMENT PAPER CURRENCY.

WHEREAS it is expedient to provide for the issue by the Government of India of promissory notes payable to bearer on demand, and to regulate the mode of issuing and securing payment of the same; *and whereas due notice has been given by the Governor General of India in Council to the Banks of Bengal, Bombay, and Madras respectively, as required by Acts VI. of* 1839, *III. of* 1840, *and IX. of* 1843, *that the said banks are to be modified by the power of the said banks to issue promissory notes payable on demand ceasing from and after the day hereinafter provided*; It is enacted as follows:— Preamble.

I. Section XXXI. of *the said* Act VI. of 1839,[1] Section XXXI. of *the said* Act III. of 1840[2], and Section XXXIII. of *the said* Act IX. of 1843[3], *so far as the said sections authorize the Banks of Bengal, Bombay, and Madras respectively to issue promissory notes payable on demand,* shall be repealed from and after the day of Laws repealed.

(1 relating to the Bank of Bengal),
(2 relating to the Bank of Bombay),
(3 relating to the Bank of Madras),

II. After the passing of this Act, no body corporate, person or persons whatsoever, in the British Territories in India (except the Banks of Bengal, Madras, and Bombay, up No body corporate or person to issue notes, &c., payable to bearer on demand.

up to the day of and except as hereinafter provided), shall draw, accept, make, or issue any bill of exchange or promissory note, or engagement for the payment of money payable to bearer on demand, or borrow, owe, or take up any sum or sums of money on the bills or notes payable to bearer on demand of any such body corporate, or of any such person or persons. Provided that cheques or drafts payable to bearer on demand or otherwise may be drawn on bankers, shroffs, or agents by the customers or constituents of such bankers, shroffs, or agents, in respect of deposits of money in the hands of such bankers, shroffs, or agents, and held by them at the credit and disposal of the persons drawing such cheques or drafts.

Exception in favour of cheques.

Department of issue to be established.

III. There shall be established by the Governor General *of India* in Council a[1] department of the Public Service, to be called the Department of Issue, *either in connexion with the mints or otherwise*, and from and after the day of there may be issued from the said department, as hereinafter provided, promissory notes of the Government of India payable to bearer on demand for[2] *such* sums[3], *not being less than twenty rupees*, as the Governor General of India in Council[4] shall direct.

[1] the

[2] of 5, 10, 20, 50, 100, 500, and 1,000 rupees, or for such other amounts

[4] with the sanction of the Secretary of State for India,

Head Commissioners and Commissioners to be appointed.

IV. The Governor General in Council, on or before the day of , shall appoint some person, *who may be the master of the mint at Calcutta*, to be called the Head Commissioner of the Department of Issue, and two other persons, *who may be the master of the mint at Madras and the master of the mint at Bombay*, who shall be called respectively the Commissioners of the Department of Issue at Madras and Bombay, and[5] *it shall be lawful for the Governor General of India in Council from time to time. by regulations to be published in the Gazettes of Calcutta, Madras and Bombay, to make such arrangements with any officers of Government, or with any persons, banks, or bodies corporate, either at Calcutta, Madras and Bombay, or elsewhere, as may be required to facilitate the issue and payment, under the provisions of this Act, of promissory notes of the Government of India.*

[5] Such officers may be suspended for incapacity, negligence, or misconduct by the Governor General in Council, but shall be removable only by the Secretary of State for India. The offices so created shall be maintained and continued, and such salaries shall be assigned to them respectively as to the Governor-General in Council shall seem proper.

Power to Governor-General in Council to establish circles of issue.

V. [6] *It shall be lawful for the* Governor General of *India* in Council[7] *from time to time*, by order to be published in the Gazettes of Calcutta, Madras, and Bombay,[8] *to establish in* the British territories in India[9] districts, to be called "circles of issue," three of which circles shall include the towns of Calcutta, Madras, and Bombay, and in each circle[10] to appoint some city or town to be the place of issue of notes, as hereinafter provided. *Promissory notes of the Government of India may be issued in the several circles of issue as hereinafter provided.*

[6] The

[7] shall, before the day of

[8] divide

[9] into

[10] shall

First three circles of issue.

*VI. In the first instance, there shall be prescribed the limits of three circles of issue only, namely, the circles which shall respectively include the towns of Calcutta, Bombay, and Madras; and it shall be lawful for the Governor*

*vernor General of India in Council, by such orders as aforesaid, from time to time to alter or extend the limits of the said circles, or any of them.*

*VIII. Additional circles of issue may from time to time be established in manner aforesaid, as the Governor General of India in Council shall see fit; and the limits of such circles, or any of them, may from time to time be altered and extended in manner aforesaid.*

Additional circles of issue.

(* Section VI. of the original Bill.)

*VIII.** For each circle of issue other than those which include the towns of Calcutta, Madras, and Bombay, there shall be appointed by the Governor General in Council *an officer of the Government, or other* person, to be called the Deputy Commissioner of Issue, *or there shall be established an agency, with a bank, or otherwise.*

Deputy Commissioners to be appointed.

(† Section VII. of the original Bill.)

*IX.*† For the purposes of this Act, the Commissioners *or agents* at Madras and Bombay shall be subordinate to the Head Commissioner; the Deputy Commissioner *or agent* in the Presidency of Fort William in Bengal shall be subordinate to the Head Commissioner; and the Deputy Commissioners *or agents* in the Presidencies of Fort St. George and Bombay shall be subordinate to the Commissioners of Madras and Bombay respectively.

Commissioners to be subordinate to Head Commissioner; Deputy Commissioners to Commissioner.

(‡ Section VIII. of the original Bill.)

*X.*‡ The Head Commissioner of Issue for the time being shall [1] *provide*, on paper to be specially manufactured for the purpose, promissory notes of the Government of India, payable to bearer on demand,[2] *of the denominations which shall be prescribed under Section III. of this Act*, and shall supply *or cause to be supplied* to the Commissioners *or agents* at Madras and Bombay, and to the several Deputy Commissioners *or agents*, such notes as they shall require for the purposes of this Act, and all [3] notes shall bear upon them the name of the city or town from which they are severally issued, and shall be payable only at the office of such city or town of issue, and at the presidency town of the presidency within which such city or town is situated.

Notes to be prepared by Head Commissioner and distributed by him.

Where payable.

[1] make and prepare,

[2] for the sums hereinbefore provided,

[3] such

(§ Section IX. of the original Bill.)

*XI.*§ The Head Commissioner, the Commissioners *or agents*, and the Deputy Commissioners *or agents*, shall, in their respective "circles of issue," on the demand of any person, issue from the office of issue of their respective circles such promissory notes, on the terms following:—

When such notes may be issued.

*First*, in exchange for the amount thereof in silver coin of full weight of the Government of India; or, *secondly*, in exchange for the amount thereof in standard silver bullion or foreign silver coin, computed according to such standard at the rate of [4] 979 *rupees per* 1,000 *tolahs of standard silver fit for coinage*; provided always, that the said Head Commissioner, Commissioners, [5] Deputy Commissioners *and agents*, shall, in all cases, be entitled to require such silver bullion and foreign coin to be melted and assayed at the expense of the person tendering the same; and provided also, that in all places

[4] per ounce;

[5] and

Proviso.

places where there is no Mint of the Government of India, it shall be optional for any such Head Commissioner, Commissioner,[1] Deputy Commissioner *or agents*, to issue notes in exchange for silver or foreign coin under this section; or, *thirdly*, in exchange for other notes of the Government of India, payable to bearer on demand of other amounts issued within the same circle: *Provided also, that it shall be lawful for the Governor General in Council from time to time to direct, by order to be published in the Gazettes of Calcutta, Madras and Bombay, that notes to an extent not exceeding one-fourth of the total amount of issues represented by coin and bullion as hereinafter provided, may be issued at such offices or agencies of issue as may be named in the order, in exchange for gold coin of full weight of the Government of India, or for foreign gold coin or gold bullion computed at rates to be fixed by such order, and which rates shall not be altered without six months' previous notice.*

* †.

The whole amount of bullion and coin received for notes to be kept as a reserve to pay such notes, excepting an amount not exceeding 4 crores of rupees to be fixed as the minimum limit of circulation.

*XII. The whole amount of the bullion and coin so received for notes shall be retained and secured as a reserve to pay such notes, with the exception of such an amount, not exceeding four crores of rupees, as the Governor General in Council, with the consent of the Secretary of State for India, may from time to time consider as a safe limit below which the paper circulation of India cannot fall, and the amount so fixed shall be published in the Gazettes of Calcutta, Madras, and Bombay, and shall be invested in Government securities, and the said coin, bullion, and securities shall be appropriated and set apart to provide for the satisfaction and discharge of the said notes; and the said notes shall be deemed to have been issued on the security of the coin, bullion, and securities so appropriated and set apart, as well as on the general credit of the Government: Provided that any gold coin or bullion which may be received under this act may be sold or exchanged for silver coin or bullion to be so appropriated and set apart instead of the gold coin or bullion.*

In what names the Government securities to stand.

*XIII.*‡ The Government securities purchased under this Act in the Presidency of Fort William in Bengal shall stand in the name of the Head Commissioner and the Master of the Mint at Calcutta; the Government securities purchased under this Act in the Presidency of Fort St. George shall stand in the name of the Commissioner *or agent* at Madras and the Master of the Mint at Madras; and the Government securities purchased under this Act in the Presidency of Bombay shall stand in the name of the Commissioner *or agent* at Bombay and the Master of the Mint at Bombay: *Provided that if the Head Commissioner or Commissioners should in any case be the Master of the Mint, the Governor General in Council shall appoint another Trustee or Trustees in place of the Master of the Mint.*

Rules to be framed for keeping and auditing the accounts.

*XIV.*§ The Head Commissioner from time to time shall frame rules to be approved by the Governor General *of India* in Council, for keeping the accounts of the said department of

° X. The Governor General in Council shall determine from time to time the amount to be retained and secured in silver bullion and coin as a reserve to pay the said promissory notes; provided always, that such reserve shall in no case be less than one-third of the amount expressed in the notes in circulation.

† XI. It shall be the duty of the Head Commissioner in respect of the Presidency of Fort William in Bengal, and of the Commissioners at Madras and Bombay in respect of the Presidencies of Fort St. George and Bombay, respectively, to retain and secure at all times such amount in silver bullion and coin as shall be determined by the Governor General in Council as aforesaid, such reserve to be conveniently distributed among the several offices of issue of their respective Presidencies. They shall also provide for the immediate coinage of the silver bullion and foreign silver coinage received in exchange for such notes, and they shall invest in Government securities the residue of the amount of the said notes in circulation over and above the sum represented by the said coin and bullion which from time to time they are required to retain as a reserve; and the said coin, bullion and securities shall be appropriated and set apart to provide for the satisfaction and discharge of the said notes; and the said notes shall be deemed to have been issued on the security of the coin, bullion and securities so appropriated and set apart.

(‡ Section XII. of the original Bill.)

(§ Section XIII. of the original Bill.)

of issue, and for the auditing of such accounts, and for otherwise regulating the business of the department; provided always, that such rules shall be in nowise inconsistent with the provisions of this Act.

(* Section XIV. of the original Bill.)

Abstract of accounts to be published.

*XV.** An abstract of the accounts of the department, showing the whole amount of notes in circulation, the amount of coin and bullion reserved, and the amount of the Government securities held by the said department, shall be made up monthly in Calcutta, and published as soon as may be in the Gazettes of Calcutta, Madras, and Bombay.

(† Section XV. of the original Bill.)

Securities to be disposed of in order to keep up reserve of bullion and coin from time to time.

*XVI.*† It shall be lawful for the Head Commissioner in respect of the Presidency of Fort William in Bengal, and of the Commissioners *or agents* at Madras and Bombay in respect of the Presidencies of Madras and Bombay respectively, and they are hereby required at any time, if it shall be necessary for the purpose of retaining and keeping up[1] *a sufficient* reserve of coin and bullion[2], to sell and dispose of *any portion of the abovementioned limited amount* of Government securities standing in their names respectively, and in the names of the Masters of the Mint *or Trustees* as aforesaid; and for the purpose of effecting such sales, the said Masters of the Mint *or Trustees* respectively shall, on a request in writing from the said Head Commissioner or Commissioners *or agents* in their respective Presidencies, at all times sign and endorse such Government securities as shall stand in their names respectively; *and it shall be lawful for the said Head Commissioner or Commissioners or agents, with the approval of their respective Governments, to purchase back Government securities to replace their sales when the state of the reserve permits of it.*

[1] such
[2] as hereinbefore provided,

(‡ Section XVI. of the original Bill.)

Interest of securities to be paid to the credit of Government.

*XVII.*‡ The interest accruing due on the Government securities purchased and held under this Act shall be entered in a separate account, to be annually rendered by the Head Commissioner to the Governor General *of India* in Council; and the amount of such interest shall, from time to time, as it becomes due, be paid by the Accountants General in the several Presidencies of India, into the revenues of the Government of India, under the head of "Profits of Note Circulation;" *and an account, showing the amount of profits of the note circulation and of the charges and expenses incidental thereto, shall be made up and published annually in the Gazettes of Calcutta, Madras, and Bombay.*

(§ Section XVII. of the original Bill.)

Notes where legal tender.

*XVIII.*§ Within any of the "circles of issue," as hereinbefore provided, a tender of a note or notes issued under this Act from the office *or agency* of issue of such "circle of issue," shall be a legal tender to the amount expressed in such note or notes, and shall be taken to be valid as a tender to such amount in payment of any revenue or other claim *to the amount of twenty rupees and upwards* due to the Government of India, and in payment of any sum of *twenty rupees and upwards* due by the Government of India, or by any body corporate, or by any person or persons in the British territories in India,

India, on all occasions whatsoever on which any tender of money can be legally made: Provided that no such note or notes shall be deemed to be a legal tender of payment by the Government of India at any office *or agency* of issue.

**Name of Head Commissioner, &c., may be impressed with machinery.**

*XIX.** The name of the Head Commissioner, of either of the Commissioners, of any Deputy Commissioner *or agent*, or of any other person authorised by the said Head Commissioner, or by either of the said Commissioners, to sign notes issued under this Act, shall or may be impressed or affixed by machinery provided for that purpose by the Government of India, and such printed names shall be taken to be good and valid signatures to all intents and purposes, as if such notes had been subscribed in the proper handwriting of any one of the persons aforesaid, whose signatures the said printing purports to represent.

(* Section XVIII. of the original Bill.)

**Notes may be described as promissory notes.**

*XX.*† All notes issued under this Act shall be deemed and taken to be promissory notes of the Government of India, and may and shall be described as promissory notes of the Government of India in all indictments, and in criminal and civil proceedings, any law or usage to the contrary notwithstanding.

(† Section XIX. of the original Bill.)

**Penalty for issuing such notes contrary to provisions of this Act.**

*XXI.*‡ If any body corporate or person, after the passing of this Act, shall, contrary to the provisions of this Act, draw, accept, make, or issue any bill of exchange, promissory note, or engagement for the payment of money payable to bearer on demand, or borrow, owe, or take up any sum or sums of money on the bills or notes or engagements for the payment of money payable to bearer on demand of any such body corporate or person, such body corporate or person shall be liable to a penalty[1] *to* the amount of every such bill of exchange, promissory note, or engagement for the payment of money, to be recovered on the prosecution of the Head Commissioner, Commissioner,[2] Deputy Commissioner, *or agent*, as the case may be, of the "circle of issue" in which such bill of exchange, promissory note, or engagement for the payment of money is issued, before any police magistrate or magistrate within such "circle of issue," and in case of conviction and default of payment of such penalty, the police magistrate or magistrate who shall try the case shall issue his warrant to levy the amount thereof, together with the reasonable costs of the prosecution, by distress and sale of the goods and chattels of the body corporate or person so convicted.

(‡ Section XX. of the original Bill.)

**Penalty for making or having in possession paper of certain description.**

*XXII.*§ If any person shall, without the authority of the Government of India, to be proved by the party accused, make or use, or shall, without lawful excuse, to be proved by the party accused, knowingly have in his custody or possession any frame, mould, or instrument for the making of paper, with the words "Government of India" visible in the substance of the paper, or for the making of paper with curved or waving bar lines, or with the laying wire lines thereof in a waving or a curved shape, or with any number, sum, or amount, expressed in a word or words in Roman

(§ Section XXI. of the original Bill.)

Roman letters visible in the substance of the paper; or if any person shall, without such authority, to be proved as aforesaid, manufacture, use, sell, expose to sale, utter, or dispose of, or shall, without lawful excuse, to be proved as aforesaid, knowingly have in his custody or possession any paper whatsoever with the words "Government of India" visible in the substance of the paper, or any paper with curved or waving bar lines, or with the laying wire lines thereof in a waving or curved shape, or with any number, sum, or amount expressed in a word or words in Roman letters appearing visible in the substance of the paper; or if any person, without such authority, to be proved as aforesaid, shall, by any art or contrivance, cause the words "Government of India" to appear visible in the substance of any paper, or cause the numerical sum or amount of any promissory note, bill of exchange, post bill, blank promissory note, blank bill of exchange, or blank post bill, in a word or words in Roman letters, to appear visible in the substance of the paper whereon the same shall be written or printed, every such offender shall,[1] *on* being convicted thereof,[2] *be liable to transportation for a period* not exceeding fourteen years, or[3] *to simple or rigorous imprisonment* for any period not exceeding seven years, or if the offender be an European[4] or an American, he shall be liable, *on being convicted thereof,* to a sentence of penal servitude for a period not exceeding five years, *or to simple or rigorous imprisonment for a period not exceeding seven years.*

[1] be guilty of felony, and
[2] shall be transported for a term
[3] shall be imprisoned, with or without hard labour,
[4] British subject,

*XXIII.** Nothing herein contained shall prevent any person from issuing any bill of exchange or promissory note having the amount thereof expressed in rupees, or in a numerical figure or figures denoting the amount thereof in rupees, appearing visible in the substance of the paper upon which the same shall be written or printed; or shall prevent any person from making, using, or selling any paper having waving or curved lines, or any other devices in the nature of water-marks visible in the substance of the paper not being bar lines or laying wire lines, provided the same are not so contrived as to form the ground-work or texture of the paper, or to resemble the waving or curved laying wire lines, or bar lines, or the water-marks of the paper used by the Government of India. Proviso.

*S. Laing.*
*H. B. E. Frere.*
*H. B. Harington.*
*H. Forbes.*
*A. Sconce.*
*C. J. Erskine.*

* (Section XXII. of the original Bill.)

XXIII. If any person shall engrave or in anywise make upon any plate whatever, or upon any wood, stone or other material, any promissory note or bill of exchange, or blank promissory note, or blank bill of exchange, or part of a promissory note or bill of exchange, purporting to be a promissory note, bill of exchange, or post bill of the Government of India, or blank promissory note, blank bill of exchange, or blank post bill of the Government of India, or part of a promissory note, bill of exchange, or post bill of the Goverament of India, without the authority of the Government of India, to be proved by the party accused; or if any person shall use such plate, wood, stone or other material, or any other instrument or device for the making or printing any promissory note, bill of exchange, or post bill, or blank promissory note, blank bill of exchange, or blank post bill, or part of a promissory note, bill of exchange, or post bill, without such authority, to be proved as aforesaid; or if any person shall, without lawful excuse, the proof whereof shall lie on the party accused, knowingly have in his custody or possession any such plate, wood, stone or other material, or any such instrument or device; or if any person shall, without such authority, to be proved as aforesaid, knowingly offer, utter, dispose of, or put off any paper upon which any promissory note, blank bill of exchange, or blank post bill of the Government of India, or part of a promissory note, bill of exchange, or post bill of the Government of India shall be made or printed; or if any person shall, without lawful excuse, to be proved as aforesaid, knowingly have in his custody or possession any such paper, every such offender shall be guilty of felony, and, being convicted thereof, shall be transported for a term not exceeding fourteen years, or shall be imprisoned, with or without hard labour, for any period not exceeding seven years, or if the offender be a European British subject, or an American, he shall be liable to a sentence of penal servitude for a period not exceeding five years.

XXIV. If any person shall engrave, or in anywise make upon any plate whatever, or upon any wood, stone or other material, any word, number, figure, character, or ornament, the impression taken from which shall resemble or apparently be intended to resemble any part of a promissory note, bill of exchange, or post bill of the Government of India, without the authority of the Government of India, to be proved by the party accused; or if any person shall use any such plate, wood, stone or other material, or any other instrument or device for the making upon any paper or other material the impression of any word, number, figure, character, or ornament which shall resemble, or apparently be intended to resemble, any part of a promissory note, bill of exchange or post bill of the Government of India, without such authority, to be proved as aforesaid; or if any person shall, without lawful excuse, the proof whereof shall lie on the party accused, knowingly have in his custody or possession any such plate, wood, stone or other material, or any such instrument or device; or if any person shall, without such authority, to be proved as aforesaid, knowingly offer, utter, dispose of, or put off any paper or other material upon which there shall be an impression of any such matter as aforesaid; or if any person shall, without lawful excuse, to be proved as aforesaid, knowingly have in his custody or possession any paper or other material upon which there shall be an impression of any such matter as aforesaid, every such offender shall be guilty of felony, and, being convicted thereof, shall be liable to be transported for any period not exceeding seven years, or to be punished, with or without hard labour, for any period not exceeding five years, or if the offender be a European British subject, or an American, he shall be liable to a sentence of penal servitude for any period not exceeding three years.

FINANCIAL DEPARTMENT.—No. 35 of 1861.

To the Right Honourable Sir *Charles Wood*, Bart., M.P., Secretary of State for India.

Sir,

WE have the honour to acknowledge the receipt of your Despatch in this department, No. 195, dated the 30th November 1860, and in accordance with the desire expressed in the 5th para., to forward herewith a copy of the Bill to provide for a Government Paper Currency in India, as settled in Committee of the whole Council on the 2d instant, together with copies of the Minutes noted in the subjoined list.

We have, &c.
(signed) *Canning.*
*H. B. E. Frere.*
*Cecil Beadon.*
*S. Laing.*

Fort William,
8 March 1861.

LIST of PAPERS to accompany.

1. The Paper Currency Bill.
2. Minute by the Honourable S. Laing (without date).
3. Minute by the Honourable Sir H. B. E. Frere, dated 3 February 1861.
4. Minute by the Honourable Cecil Beadon, dated 4 February 1861.
5. Minute by his Excellency the Right Honourable the Governor General, dated 9 February 1861.

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## A BILL to provide for a GOVERNMENT PAPER CURRENCY.

**Preamble.**

WHEREAS it is expedient to provide for the issue by the Government of India of promissory notes payable to bearer on demand, and to regulate the mode of issuing and securing payment of the same; and whereas due notice has been given by the Governor General of India in Council to the banks of Bengal, Bombay and Madras respectively, as required by Acts VI. of 1839, III. of 1840, and IX. of 1843, that the said banks are to be modified by the power of the said banks to issue promissory notes payable on demand ceasing from and after the day hereinafter provided: it is enacted as follows:—

**Laws repealed.**

I. Section XXXI. of the said Act VI. of 1839, Section XXXI. of the said Act III. of 1840, and Section XXXIII. of the said Act IX. of 1843, so far as the said sections authorise the banks of Bengal, Bombay and Madras respectively to issue promissory notes payable on demand, are repealed from and after the 1st day of March 1862.

**No body corporate or person to issue notes, &c. payable to bearer on demand.**

II. After the passing of this Act, no body corporate, person or persons whatsoever, in British India (except the banks of Bengal, Madras and Bombay, up to the said 1st day of March 1862, and except as hereinafter provided), shall draw, accept, make or issue any bill of exchange or promissory note, or engagement for the payment of money payable to bearer on demand, or borrow, owe, or take up any sum or sums of money on the bills or notes payable to bearer on demand of such body corporate, or of any such person or persons: provided, that cheques or drafts payable to bearer on demand, or otherwise, may be drawn on bankers, shroffs or agents by the customers or constituents of such bankers, shroffs or agents, in respect of deposits of money in the hands of such bankers, shroffs or agents, and held by them at the credit and disposal of the persons drawing such cheques or drafts.

**Exception in favour of cheques.**

**Department of issue to be established.**

III. There shall be established by the Governor General of India in Council a department of the Public Service, to be called the Department of Issue, either in connexion with the Mints or otherwise; and from and after the passing of this Act, there may be issued from the said department, as hereinafter provided, promissory notes of the Government of India payable to bearer on demand, for such sums, not being less than 10 rupees, as the Governor General of India in Council shall from time to time direct.

**Head Commissioner and Commissioners to be appointed.**

IV. The Governor General in Council, after the passing of this Act, shall appoint some person, who may be the Master of the Mint at Calcutta, to be called the Head Commissioner of the Department of Issue, and two other persons, who may be the Master of the Mint at Madras and the Master of the Mint at Bombay, who shall be called respectively the Commissioners of the Department of Issue at Madras and Bombay; and it shall be lawful for the Governor General of India in Council from time to time, by rules to be published in the Gazettes of Calcutta, Madras and Bombay, to make such arrangements with any officers of Government, or with any persons, banks or bodies corporate, either at Calcutta, Madras and Bombay, or elsewhere, as may be required to regulate and facilitate the issue and payment, under the provisions of this Act, of promissory notes of the Government of India, of such

such denominations as shall be prescribed under the last foregoing section, not being for any less sum than 10 rupees.

V. It shall be lawful for the Governor General of India in Council from time to time, by order to be published in the Gazettes of Calcutta, Madras and Bombay, to establish in British India districts, to be called "circles of issue," three of which circles shall include the towns of Calcutta, Madras and Bombay, respectively, and in each circle to appoint some one city or town to be the place of issue of notes, as hereinafter provided. It shall be lawful for the Governor General of India in Council, by an order to be published as aforesaid, from time to time to alter or extend the limits of the said circles, or any of them. Promissory notes of the Government of India may be issued in the several circles of issue, as hereinafter provided.

Power to Governor General in Council to establish circles of issue.

VI. For each circle of issue other than those which include the towns of Calcutta, Madras and Bombay, there shall be appointed, by the Governor General in Council, an officer of the Government, or other person, to be called the Deputy Commissioner of Issue, or there shall be established an agency of issue, in connexion with a bank, or otherwise.

Deputy Commissioners to be appointed.

VII. For the purposes of this Act, the Commissioners at Madras and Bombay shall be subordinate to the Head Commissioner; the Deputy Commissioners or agents in the Presidency of Fort William in Bengal shall be subordinate to the Head Commissioner; and the Deputy Commissioners or agents in the Presidencies of Fort St. George and Bombay shall be subordinate to the Commissioners of Madras and Bombay respectively.

Commissioners to be subordinate to Head Commissioner, Deputy Commissioners to Commissioner.

VIII. The Head Commissioner of Issue for the time being shall provide, on paper to be specially manufactured for the purpose, promissory notes of the Government of India, payable to bearer on demand, of the denominations which shall be from time to time prescribed under Section III. of this Act, and shall supply, or cause to be supplied, to the Commissioners at Madras and Bombay, and to the several Deputy Commissioners or agents, such notes as they shall require for the purposes of this Act; and all notes shall bear upon them the name of the city or town from which they are severally issued, and shall be payable only at the office or agency or offices or agencies of issue of such city or town and at the presidency town of the presidency within which such city or town is situated.

Notes to be prepared by Head Commissioner and distributed by him.

Where payable.

IX. The Head Commissioner, the Commissioners, and the Deputy Commissioners or agents shall, in their respective "circles of issue," on the demand of any person, issue from such office or agency or offices or agencies of issue as shall be established in the appointed city or town in their respective circles, promissory notes of such denominations as shall be prescribed under Section III., not being for any less sum than 10 rupees, on the terms following:—

When such notes may be issued.

First, in exchange for the amount thereof in silver coin of full weight of the Government of India:

Or, secondly, in exchange for the amount thereof in standard silver bullion or foreign silver coin computed according to such standard, at the rate of 979 rupees per 1,000 tolahs of standard silver fit for coinage:

Provided that the said Head Commissioner, Commissioners, Deputy Commissioners and agents shall, in all cases, be entitled to require such silver bullion and foreign coin to be melted and assayed at the expense of the person tendering the same; and provided also, that in all places where there is no Mint of the Government of India, it shall be optional for any such Head Commissioner, Commissioner, Deputy Commissioner, or agents, to issue notes in exchange for silver or foreign coin under this section;

Proviso.

Or, thirdly, in exchange for other notes of the Government of India payable to bearer on demand of other amounts issued within the same circle.

Provided also, that it shall be lawful for the Governor General in Council from time to time to direct, by order to be published in the Gazettes of Calcutta, Madras and Bombay, that notes to an extent to be specified in the order, not exceeding one-fourth of the total amount of issues represented by coin and bullion as herein provided, shall be issued at such offices or agencies of issue as may be named in the order, in exchange for gold coin of full weight of the Government of India, or for foreign gold coin or gold bullion computed at such rates and according to such rules and conditions as shall be fixed by such order, and which rates, rules and conditions shall not be altered without six months' previous notice. Whenever such order shall be issued, the Head Commissioner, Commissioners, Deputy Commissioners, or agents, at the offices or agencies specified in the order, shall be bound to issue notes on demand in conformity with such order.

X. The whole amount of the bullion and coin so received for notes shall be retained and secured as a reserve to pay such notes, with the exception of such an amount, not exceeding four crores of rupees, as the Governor General in Council, with the consent of the Secretary of State for India, shall from time to time fix. The amount so fixed shall be published in the Gazettes of Calcutta, Madras and Bombay, and shall be invested in Government securities, and the said coin, bullion and securities shall be appropriated and set apart to provide for the satisfaction and discharge of the said notes; and the said notes shall be deemed to have been issued on the security of the coin, bullion and securities so appropriated and set apart, as well as on the general credit of the Government: provided that any gold coin or bullion which may be received under this Act, may be sold or exchanged for silver coin or bullion to be so appropriated and set apart instead of the gold coin or bullion.

The whole amount of bullion and coin received for notes to be kept as a reserve to pay such notes, excepting an amount not exceeding four crores of rupees, to be fixed as the minimum limit of circulation.

In what names the Government securities to stand.

XI. The Government securities purchased under this Act in the Presidency of Fort William in Bengal, shall stand in the name of the Head Commissioner and the Master of the Mint at Calcutta; the Government securities purchased under this Act in the Presidency of Fort St. George, shall stand in the name of the Commissioner at Madras, and the Master of the Mint at Madras; and the Government securities purchased under this Act in the Presidency of Bombay, shall stand in the name of the Commissioner at Bombay and the Master of the Mint at Bombay; provided that if the Head Commissioner or Commissioner in any case be the Master of the Mint, the Governor General in Council shall appoint another trustee or trustees in place of the Master of the Mint.

Rules to be framed for keeping and auditing the accounts.

XII. The Head Commissioner, from time to time, shall frame rules, to be approved by the Governor General of India in Council, for keeping the accounts of the said Department of Issue, and for the auditing of such accounts, and for otherwise regulating the business of the department; provided that such rules shall be in nowise inconsistent with the provisions of this Act.

Abstract of accounts to be published.

XIII. An abstract of the accounts of the department, showing the whole amount of notes in circulation, the amount of coin and bullion reserved, distinguishing gold from silver, and the amount of the Government securities held by the said department, shall be made up monthly in Calcutta, and published as soon as may be in the Gazettes of Calcutta, Madras and Bombay.

Securities to be disposed of when necessary.

XIV. It shall be lawful for the Head Commissioner, in respect of the Presidency of Fort William in Bengal, and for the Commissioners at Madras and Bombay in respect of the Presidencies of Madras and Bombay respectively, at any time when they shall be ordered so to do by the Governor General of India in Council, to sell and dispose of any portion of the above-mentioned limited amount of Government securities standing in their names respectively, and in the names of the Masters of the Mint, or Trustees as aforesaid; and for the purpose of effecting such sales, the said Masters of the Mint or Trustees respectively shall, on a request in writing from the said Head Commissioner or Commissioners in their respective Presidencies, at all times sign and endorse such Government securities as shall stand in their names respectively, and it shall be lawful for the said Head Commissioner or Commissioners, if directed by the Governor General of India in Council, to purchase Government securities to replace their sales.

Interest of securities to be paid to the credit of Government.

XV. The interest accruing due on the Government securities purchased and held under this Act shall be entered in a separate account, to be annually rendered by the Head Commissioner to the Governor General of India in Council; and the amount of such interest shall, from time to time, as it becomes due, be paid by the Accountants General in the several Presidencies of India, into the revenues of the Government of India, under the head of "Profits of Note Circulation;" and an account, showing the amount of profits of the note circulation, and of the charges and expenses incidental thereto, shall be made up and published annually in the Gazettes of Calcutta, Madras and Bombay.

Notes where legal tender.

XVI. Within any of the "circles of issue," as hereinbefore provided, a tender of a note or notes issued under this Act from any office or agency of issue of such "circle of issue," shall be a legal tender to the amount expressed in such note or notes, and shall be taken to be valid as a tender to such amount in payment of any revenue or other claim to the amount of 10 rupees and upwards due to the Government of India, and in payment of any sum of 10 rupees and upwards due by the Government of India, or by any body corporate, or by any person or persons in British India, on all occasions whatsoever on which any tender of money can be legally made: Provided that no such note or notes shall be deemed to be a legal tender of payment by the Government of India at any office, or at the issue department of any agency of issue.

Name of Head Commissioner, &c. may be impressed with machinery.

XVII. The name of the Head Commissioner, of either of the Commissioners, of any Deputy Commissioner or agent, or of any other person authorised by the said Head Commissioner, or by either of the said Commissioners, to sign notes issued under this Act, may be impressed or affixed by machinery provided for that purpose by the Government of India, and such printed names shall be taken to be good and valid signatures, to all intents and purposes, as if such notes had been subscribed in the proper handwriting of any one of the persons aforesaid, whose signatures the said printing purports to represent.

Notes may be described as promissory notes.

XVIII. All notes issued under this Act shall be deemed and taken to be promissory notes of the Government of India, and may and shall be described as promissory notes of the Government of India in all indictments, and in criminal and civil proceedings, any law or usage to the contrary notwithstanding.

Penalty for issuing such notes contrary to provisions of this Act.

XIX. If any body corporate or person, after the passing of this Act, shall, contrary to the provisions of this Act, draw, accept, make, or issue any bill of exchange, promissory note, or engagement for the payment of money payable to bearer on demand, or borrow, owe, or take up any sum or sums of money on the bills, or notes or engagements for the payment of money payable to bearer on demand of any such body corporate or person, such body corporate or person shall be liable to a penalty to the amount of every such bill of exchange, promissory note, or engagement for the payment of money, to be recovered on the prosecution of the Head Commissioner, Commissioner, Deputy Commissioner, or agent, as the case may be, of the "circle of issue" in which such bill of exchange, promissory note,

note, or engagement for the payment for money is issued, before any police magistrate or magistrate within such "circle of issue," and in case of conviction, and default of payment of such penalty, the police magistrate, or magistrate who shall try the case, shall issue his warrant to levy the amount thereof, together with the reasonable costs of the prosecution, by distress and sale of the goods and chattels of the body corporate or person so convicted.

XX. The words "British India" in this Act shall denote the territories that are or may be vested in Her Majesty by the statute 21 & 22 Vict. c. 106, entitled, "An Act for the better Government of India," except the settlement of Prince of Wales' Island, Singapore and Malacca. Definition of "British India."

## Minute by the Honorable *S. Laing*.

The Currency Bill, as it now stands, embodies the scheme of Mr. Wilson's Minute of the 25th December 1859. That scheme has since been modified in some of its fundamental principles by Sir C. Wood's Despatch of the 26th March 1860, and the instructions of the Home Government now are, that the Bill shall be sent to England, after receiving amendments, for final consideration and approval before it is passed into a law. Minute on the Currency Bill.

I mention this for the purpose of showing that I am not unnecessarily re-opening the question, and retarding its settlement by proposing changes. The question has been already re-opened to such an extent by the Secretary of State's letter, that changes have become inevitable which materially affect the framework and principle of the measure. I should wish also to mention, that in discussing these changes fully and frankly, I trust that I shall be acquitted of any disrespect to the lamented statesman whose scheme is under consideration.

Mr. Wilson's reputation stands too high to be affected by what he himself would have been the first to invite, a fair and open criticism of any of his proposed measures while still pending, with a view to make them as conducive as possible to the public good.

With these remarks, I proceed to point out what is the real difference between the principle of Mr. Wilson's scheme and that of the Secretary of State's letter, and the alterations in the Bill which will be necessary to give effect to the letter. In England two schools of opinion have prevailed with respect to paper currency. One, known as the Birmingham school, who have now dwindled into an almost imperceptible minority, who advocate an inconvertible paper currency; the other comprising an immense majority of statesmen and practical men, who advocate a paper currency only on the condition of its being at all times convertible.

This majority has, however, been divided into two sections, one who hold that to the condition of convertibility must be added that of absolute identity with the metallic circulation which it displaces, and that these two conditions can only be secured by making all paper issues the representatives of actual coin or bullion in the vaults of the Bank or Treasury beyond a certain fixed issue, strictly limited within the bounds to which experience has shown that no conceivable contraction of the currency can approach; the other who hold that this restriction is uncalled for; that paper, while convertible, can never be in excess, and that convertibility may always be secured by enacting that certain reserves in cash, or good securities, shall be held against issues, either by the banks, who are allowed to make them, or by the State, which may, if it thinks fit, assume the functions of a great national bank of issue.

The former opinion is that on which the currency system of England is based; it is the opinion of Sir Robert Peel, Lord Overstone, Sir C. Wood, and such a large preponderance of high authority, that it may fairly be called the "orthodox opinion," as recognised in modern England.

On the other hand, a small minority of able men, among whom Mr. Wilson was one of the most distinguished, held strongly to the latter view, and his currency scheme for India was an attempt to give it practical effect on a large and comprehensive scale. The aim of that measure undoubtedly was to inaugurate a system under which a vast paper circulation should ultimately take the place of the precious metals in India, secured in public confidence by the

self-acting regulation of retaining one-third of the amount in specie, and affording to Government the large banking profit of an establishment issuing promises to pay, with the character of a legal tender, to the extent of many millions against securities bearing interest.

I cannot but express my entire concurrence with the view of Sir Charles Wood. There is no such thing as a profit in transactions of this nature without a corresponding risk. The legitimate function of a State is to provide a safe, convenient, and certain form of currency, and if it goes beyond this, and grasps at the profit of a private banker, by trading on its credit, and issuing promises to pay, in the hope of being able to redeem those promises by the sale of securities, it incurs a serious liability.

The utmost vigilance of the most experienced banks has often failed to secure them against the necessity of stopping payment, and banks possess facilities for strengthening their reserves, and contracting their issues, very different from those of a government.

The advances of a bank being mostly on bills or promissory notes, they can contract without loss by simply limiting their advances, and letting their securities run off, while the Government could only contract by forcing sales of their own securities at a heavy loss to themselves on a falling market.

A bank also is free to pursue its own course irrespective of political considerations, while a Government is certain, whether with or without reason, to be held responsible for the difficulties of a crisis, and subjected to great pressure to depart from the course which prudence would dictate.

These considerations apply with peculiar force to a country like India, where the market for Government securities is limited, and where the population are peculiarly liable to sudden fits of alarm and distrust.

I do not hesitate to state my firm conviction, that if we could succeed in creating a large circulation of small notes throughout India, based on a reserve of Government securities to an extent of anything like two-thirds, or any large proportion of the total issue, such a system could not stand the strain of the first serious political or commercial crisis, and must inevitably end in a suspension of specie payments, and a forced issue of inconvertible paper.

Than such a result I can conceive nothing more disastrous.

I have witnessed the efforts of an inconvertible paper circulation in Austria, and nothing but actual experience can convey an idea of its ruinous effects.

An element of uncertainty and gambling is introduced into every transaction of daily life.

Every creditor is defrauded when paper falls in value; every debtor suffers when it rises. Even the peasant who brings his coin to market, or who buys a coat or pair of shoes, has to study the exchange quotations in the price current, in order to know whether he is paying or receiving a fair price, and it often happens that before he gets home a fluctuation in the quotations has converted what he thought a good bargain into a bad one.

In short, the effect of a depreciated and fluctuating small-note inconvertible currency is utterly demoralising, and of all the expedients which a government could resort to for raising money, this is unquestionably the most costly and the most burdensome.

I assume, therefore, that, in accordance with the opinion intimated by Sir C. Wood, the first consideration in introducing a system of paper currency in India must be to place its convertibility beyond question.

For this purpose I know of no other means than to adopt the principle of the English currency laws, limiting the amount of fixed minimum issue for India to a figure which experience may show to be clearly within the mark to which the paper circulation can be reduced under any conceivable circumstances.

The present authorised issues of the three chartered banks of India are 5,000,000 *l.*; viz.—

| | £. |
|---|---|
| Bank of Bengal - - - - | 2,000,000 |
| „ Bombay - - - - | 2,000,000 |
| „ Madras - - - - | 1,000,000 |

Against which, by the charters, one-fourth must be held in specie, leaving 3,750,000 *l.*

3,750,000 *l.* as the amount which may be issued against securities,* and the lowest amount to which the issues were ever reduced during the mutinies, was, I am informed, about 2,000,000 *l.* †

† The lowest issue of Bank of Bengal was 1,080,000 *l.*

I think it would be unsafe, with our present information, to assume a much larger amount than that of the present authorised bank circulation as the minimum limit, which it is prudent to issue against anything but actual coin or bullion, and even this limit should only be approached gradually, and with due caution.

No doubt this limit may be exceeded, in course of time, as the paper circulation becomes generally adopted, but it will always be possible to amend the Act; and India has a right to know that the limit which has been fixed upon as safe under existing circumstances shall not be exceeded on merely speculative grounds, or without a formal application to the Legislative Council for a fresh Act; giving time for reflection and opportunity for discussion.

I propose, therefore, to strike out those clauses of the Bill which provide for the issue of notes against a reserve consisting of one-third of specie and two-thirds of securities, and to substitute a clause enacting that all issues shall be made against actual specie, with the exception of a fixed amount, in no case to exceed 4,000,000 *l.*, which may be issued against securities.

I take the amount of 4,000,000 *l.*, because I think the mercantile community may fairly expect that the extent of paper circulation provided for under the existing system through the chartered banks shall not be curtailed, and that confidence may be reposed in the Government not failing to maintain a reserve sufficient to insure specie payment within this limit; but at the same time I think that great caution should be used at first in not attempting to force issues, and in keeping the amount of securities considerably below even the low limit provided by the Act, so as to insure a superabundant specie reserve for all notes in circulation, until experience shall have fully established them in public confidence.

This fundamental change involves several others.

The idea of a large direct profit to the State (beyond that resulting indirectly from facilities to trade and to the Government service) being abandoned, and the principle of issue adopted being one which requires no attempt at self-regulating adjustment, by constant sales and purchases of securities, the necessity for a costly and complicated machinery of semi-independent Commissioners no longer exists.

I do not believe that, under any circumstances, such a machinery could have inspired any greater confidence than exists in the government from which it emanated; but under the principle now adopted it is evident that it would be entirely superfluous, and that the credit of the notes must depend—

1stly. On the provisions of the Act requiring all notes beyond a certain limited amount to be the representatives of actual coin or bullion retained to pay them:

2dly. On the general credit of the Government, which would be pledged for payment of the notes, in addition to the specific reserve, and on the belief that it will not issue notes otherwise than as legally authorised.

The best agency for issuing and paying the notes will generally, I conceive, be that of the existing banks, wherever they now have establishments, or may be disposed to open branches, provided they will undertake the business on reasonable terms, and give proper security.

Arrangements are now pending with the Bank of Bengal for keeping the Government account, and for the custody of its cash balance at Calcutta; and it seems to me that these arrangements might, with great advantage to the Government, and great convenience to the public, be extended to other banks and

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* The actual issues are—

| | £. |
|---|---|
| Bengal | 1,964,000 |
| Bombay | 1,087,000 |
| Madras | 266,000 |
| | £. 3,317,000 |

and Presidencies, and to the principal towns of the interior, and at the same time be made to comprise the management of the paper currency.

The functions of the banks would be confined to those of agency for the circulation and payment of the notes, which would still retain, to the fullest extent, their character of a State issue made only at the Mint, and under the conditions prescribed by law.

The convenience to Government of such an arrangement is obvious, as, instead of having to keep cumbrous and costly establishments and accounts for the exchange of notes for coin, and coin for notes, with the general public, the object would be attained by one periodical adjustment between the Mint or Local Treasury and the Bank. Nor would the convenience be less to the public of being able to obtain or cash notes at the place where ordinary business is transacted, and which, under the contemplated arrrangements, would also be the place where payments would be made on account of revenue, and cheques for Government expenditure taken to be cashed.

I should also contemplate another great advantage from the extension of banks throughout the country under such arrangements.

It is, of course, impossible to make notes issued at the Presidencies payable, as a matter of right, at distant towns, as this would necessitate keeping a specie reserve adequate for the circulation of the Presidencies at every point, and hence has arisen the necessity of dividing India into different currency circles.

But, practically, the branch banks would generally be ready to cash Presidency notes issued through their parent banks as a matter of accommodation to their customers, and thus the advantages of an uniform circulating medium would be to a great extent attained; where there are no banks, arrangements could probably be made, through the district collectors and treasuries, to conduct the business of issue on the proposed simple footing which in such districts would be confined to giving district notes for coin, or coin for district notes.

It is unnecessary to pursue the subject further, as the Bill cannot be brought into operation until it has been approved in England, and the interval will afford time for maturing detailed arrangements.

For the present, I merely propose that the 4th and subsequent sections of the Bill shall be so altered, as, instead of making it imperative on the Governor General in Council, by a certain day, to divide India into circles, and appoint Commissioners, shall give him a power of making, from time to time, by regulations to be published in the Gazette, such arrangements, either through any officers of the Government, or with any persons, banks, or bodies corporate, as may be requisite to facilitate the issue, payment, and circulation of any notes to be issued under the authority of the Act.

There is another point of considerable importance, on which I purpose to introduce an amendment.

The Bill, as now framed, contemplates the absolute and entire exclusion of gold from the circulation of India.

I must confess that I feel very reluctant to base a great measure for reforming the circulation of India on the total exclusion for all time to come of that form of the precious metal which is indisputably the most convenient for many purposes, and which is the chief or sole standard of all the principal nations of the civilised world with which we have commercial intercourse.

Surely it is not desirable that the trade of India with such countries as Australia or the United States should be for ever taxed with the difference of the cost between sending gold direct here, or sending it first to London, then probably to France or Germany, to exchange for silver, and finally sending that silver to Bombay or Calcutta.

It is universally admitted, that if we could begin *de novo*, the English system of a gold standard, with a silver token currency for small amounts, and convertible paper for large payments, would be the most desirable; and if we cannot at once attain this object, we ought, at least, to approximate to it as nearly as we can, and leave an opening for possible further progress.

I am aware of the arguments urged in Mr. Wilson's able Minute of the 25th December 1859 against any form of a double standard.

I do not concur with many of these arguments, more especially with the fundamental one which lays down that it would be a breach of faith, under any

any circumstances, for the State to pay in gold liabilities contracted in silver.

Several of the principal nations of the civilised world have practically changed their standard without suspicion or breach of faith—France and the United States, for instance, from silver to gold—Holland and other States, from a double standard of gold and silver to one of silver only; and, if this were the only obstacle, I think arrangements would be easy by which the public creditor might have the most ample security for being paid in money represented by coin of not less intrinsic and not less exchangeable value than that which represented money when the debt was contracted.

But I do not wish to discuss the subject further; for the other practical difficulties of introducing a gold currency, concurrently with the enormous silver currency now in existence, are, if not insuperable, so great, that I should be afraid of delaying the measure indefinitely if I attempted to solve them.

All that I propose is one simple alteration, not at all inconsistent with the principle of the Bill as it stands, and of a silver standard; it is this:—

In England, where gold is the sole standard, the Bank is authorised to issue paper to the extent of not more than one-fourth of its circulation against silver.

I would reverse the process, and provide that, of the paper circulation of India to be issued against actual coin or bullion, a proportion not exceeding one-fourth might be issued against gold coin or bullion, at rates to be fixed by proclamation, and which might be periodically adjusted with proper notice.

The rate would have to be fixed so as to secure the State from risk of loss in having to convert this gold into silver, in order to meet the notes which had been issued against it, and this would necessitate a low rate at which gold would probably not be taken to the Mint to exchange for paper, under ordinary circumstances. But, on special occasions, and in particular transactions, it might be a great advantage to the mercantile community to know that gold could be made available as money at a fixed rate; and I think it not impossible that, with a minimum value thus established, at which it could be taken at the Mint and at Government Treasuries, the superior convenience of gold, and its attraction for the native population, might give it a marketable value at which it would be largely imported. If, for the sake of illustration, the sovereign were taken at the Mint and principal Treasuries at 10, or the gold mohur at 15 rupees, it is quite possible that their market value would range up to 11 or 16 rupees respectively; in which case, without risk to the Treasury, and without disturbance to the silver standard, gold would flow in; a great convenience would have been afforded to international commerce and to the general public, and a foundation of experience laid, upon which, after careful induction, it might be possible to go further in the same direction.

If, on the other hand, gold did not enter into circulation under these conditions, it would prove that silver, with a secure and convertible paper currency, gave perfect confidence, and answered all the wants of trade and of the community, and the enactment would remain a dead letter, and be perfectly harmless.

The object would be attained by a short proviso at the end of the 9th section.

If these views should be approved of by the Government, I would propose, in order that there may be no unnecessary delay in giving India the benefit of an improved currency, at once to submit the Bill to the Legislative Council with amendments embodying the general principles on which the currency is to be based, and giving the Governor General in Council power to arrange the details.

The Bill might thus be sent home for sanction in a week or two, and the arrangements with the banks and otherwise proceeded with, subject to the confirmation of the Bill, so that, on this being received, all might be ready to bring it into immediate operation.

I subjoin a copy of the Bill, with the amendments which I propose to introduce, and which, if approved of by the Government, should be at once submitted to the Legislative Council, and made public for the information of the commercial community.

(signed) *S. Laing.*

MINUTE by the Honourable Sir *H. B. E. Frere.*

I CONCUR with Mr. Laing, and think all the alterations he proposes in Mr. Wilson's Bill are improvements, though I do not take the same view that Mr. Laing and the Secretary of State have taken of the provision in Mr. Wilson's Bill for making the legal limit of notes to be issued against securities a limit varying in a fixed proportion to the total note issue, instead of a limit fixed by the Legislature, and subject to alteration only by the authority of the Legislature, which is the provision approved by Mr. Laing and Sir C. Wood.

I have much hesitation in expressing an opinion on such a subject at variance with that entertained by such high authorities, and I do not state it with any view of suggesting a course different from that proposed with respect to this Bill by our honourable colleague, but simply to note my impression that Mr. Wilson's plan was intended by him to be worked in respect to the reserve of bullion very much as Mr. Laing would work his; and that in one respect Mr. Wilson's plan provided the better safeguard against locking up too large a proportion of the coin received for notes in the purchase of securities.

I must explain that I never understood Mr. Wilson to mean that he would purchase Government securities with the coin received in exchange for notes to the full extent which he proposed should be allowed by law, or that he would ever have invested so much in Government securities that there would be any risk of his ever having to sell in order to provide coin to keep up the legal proportion of coin to securities. I assume that he would have proceeded tentatively, and that he would have invested in Government securities only so much of the coin received for his notes as the experience of past times, when the note circulation was at its minimum, might show him was safe, always within the proportional limit fixed by law of two-thirds of the total note issue. He would, in fact, I assume, always have exercised the same caution in investing in securities his two-thirds of the coin received for notes as it is proposed to use in investing within the fixed limit of four millions.

What additional security, then, it may be asked, is gained by having any proportional limit fixed by law?

Simply, it seems to me, the security of having a standard by which to judge, as the use of notes extends, how far we may prudently follow such extension by raising the fixed limit of amount which may be held in securities.

That in the course of years there will be great temptation to raise the limit cannot, I think, be doubted. A Government paper currency is a new element in our Indian circulation, and it is quite possible that as confidence is established, and peace is maintained, the use of such paper currency may very greatly and rapidly extend. There will then arise a pressure on Government, from all sides, to raise the limit of four millions which may be issued on securities, and by so doing to set free and utilize a portion of the great bullion reserve which, under the restriction, will have accumulated in the Treasury after being received in exchange for notes. It will be difficult to resist this pressure, because fundholders and the general commercial world will unite to urge the Indian Chancellor of the Exchequer to adopt the course which is in other respects most tempting to him, and with a constantly increasing tendency on the part of the public to exchange their coin for notes, the minimum note circulation of past years will cease to be regarded even by cautious men as a guide to the possible minimum of note circulation at the present hour. Unless we have fixed some limit proportional to the total note issue of the day, is there no danger that we may be tempted to overstep the really safe limit, whatever that limit may be?

I do not say that Mr. Wilson's proportion of two-thirds of the total issue was the safe one; it might be half, or one-third; but whatever it may be, it seems to me that it is safer that the restriction should be by a limit proportional to the existing note-issue, or to the note-issues of a given period of time past, rather than by a limit fixed at an amount which judgment and experience of past years, unaided by any fixed standard of reference, lead us to think is safe. The proportional limit would, I think, form an useful check, and aid to guide and control judgment and experience in operating within the limit allowed by law.

But, as before stated, I do not offer these remarks as objections to the modifications proposed by Mr. Laing, which all tend to adapt the Bill better to existing circumstances, and to bring it more in unison, I think, with the general

general opinions of mercantile men on the subject, and I would propose that the amendments be suggested to the Select Committee of the Legislative Council for adoption, and with their consent embodied in the Bill, as reported to the Council, after which it may, if his Excellency the Governor General sees no objection, be sent home to the Secretary of State for approval before it is finally read a third time, and passed.

2 February 1861. (signed) *H. B. E. Frere.*

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MINUTE by the Honourable *Cecil Beadon.*

I CANNOT pretend to offer any opinion of value on the subject of a paper currency; but I have no hesitation in supporting Mr. Laing's plan, which, if less bold and comprehensive than the one previously proposed, is certainly safer, and, being capable of extension, may in time be made as widely useful.

I prefer, at any rate, in the first instance, a fixed limit to the amount of securities to be held against notes to a limit bearing a definite proportion to the total amount of notes issued. I hardly think that by fixing such a definite proportion now, we should preclude discussion hereafter as to whether that proportion might not properly be exceeded. It is very doubtful whether so high a limit as two-thirds would in this country be consistent with prudence; and, as we are to proceed tentatively, it seems to me better that the maximum should be fixed absolutely by law, and that the Executive Government should hereafter take power to extend it when circumstances show that such extension is necessary.

Four millions sterling is high enough to begin with; it may be too high; and I observe that Mr. Laing says that this limit should only be approached gradually, and with due caution. Would it not, then, be advisable to fix a double limit by law, and provide that the securities shall not exceed a certain proportion of the issues (say one-half), and also shall not exceed 4,000,000 *l.*?

I do not give up the hope of deriving a considerable profit from the issue of notes, nor, provided it be within safe limits, do I see any objection to the Government deriving such a profit from a paper circulation issued for the public convenience.

Of course, under the restriction now proposed to be placed on investment in Government securities, the profit will be very much less than if the limit had been as high as two-thirds of the whole amount; but even an investment of four millions will give a return of 20 lakhs of rupees, which is far more than enough to pay for the necessary machinery, and would give sensible relief to our finances; while if the circulation eventually rose to 20 millions, and the confidence of the public be fully secured, I have little doubt that the limit on the purchase of Government securities may be raised to one-half, or 10 millions, even though it involve the risk of a suspension of cash payments in the event of such a political crisis as the late mutiny, or other similar cause of universal panic.

The machinery by which Mr. Wilson intended to work his plan certainly seemed to me to be far more cumbrous and expensive than was required; but I apprehend that it will, on the whole, be found more convenient to make use entirely of Government agency for the issue of notes than of the banks. It would certainly not be prudent to employ the agency of any but the chartered banks, and any branches they might find it their interest to set up. At present there are no such branches, and the result of an attempt made some years ago by the Bank of Bengal to establish one at Mirzapore was, I believe, not such as to encourage a repetition of it.

Except at the Presidency towns, I believe that the revenue collector at the principal stations in each currency circle would be found quite able to perform the simple duty of exchanging notes for bullion and bullion for notes, the business of investment being conducted only in Calcutta with reference to the total amount of bullion held against issues in all the circles into which the country may be divided.

It was mentioned to me when Mr. Wilson's plan was under consideration, that one way in which the issue of Government notes might be stimulated, would be for the Treasury to pay coin into the hands of the Currency Com-

missioners in exchange for notes, and then to issue those notes in payment of salaries and other Government liabilities. This, as it seems to me, would be an objectionable practice, and liable to great abuse. It would be corrected, no doubt, to a certain extent, by the return of all superfluous notes to the Commissioners, but it ought, perhaps, to be expressly forbidden by law. It would not do to prohibit every Government officer holding in his hands a small advance of cash for current expenditure from exchanging coin for notes, if he found it convenient to do so; but the practice, as a means of forcing the issue of notes, would be unjustifiable. The credit of the notes, as Mr. Laing justly observes, will depend much on the belief that the Government will not issue them otherwise than as legally authorised.

I entirely concur as to the extent to which Mr. Laing proposes to receive gold coin or bullion in exchange for notes.

4 February 1861. (signed) *Cecil Beadon.*

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MINUTE by his Excellency the Governor General.

I AGREE to the changes in the Paper Currency Bill, by which Mr. Laing has proposed to adapt it to the instructions conveyed in the Secretary of State's Despatch of March last.

I entirely concur in the proposal that gold should, within a certain limit, be taken into account as a part of the coin or bullion against which notes may be issued.

Lucknow, (signed) *Canning.*
9 February 1861.

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(Financial.—No. 75.)

To his Excellency the Right Honourable the Governor General of India in Council.

My Lord, India Office, London, 2 May 1861.

1. I HAVE received and considered in Council the "Bill to provide for a Government Paper Currency," and the minutes of the members of your Government thereon, which were transmitted with your financial letter, dated the 8th March last, No. 35, and I will now advert to the several points connected therewith which appear to me to call for observation.

2. A great change has been made from the provisions of the Bill as originally introduced, as regards the principle by which the amount of notes to be issued on security and on bullion respectively is to be determined. Of the change in that respect I entirely approve, and it was in fact suggested in my Financial Despatch of the 26th March 1860, No. 47.

3. I have reason to believe that Sir H. B. Frere is right in supposing that the late Mr. Wilson's intention was to act tentatively, and not to go to the extent of the principle contained in the proposed enactment; but nevertheless the principle of issuing notes in the proportion of one-third of the amount of bullion and two-thirds on securities, or indeed on any other proportions of bullion and securities, is unsound; and whatever might have been the intended practice, it is much better not to insert provisions in the Bill which are founded on an erroneous basis.

4. The principle now adopted is that on which the currency of this country is based, viz., that a fixed amount of notes should be issued on Government security, and any amount beyond that should be issued on bullion or coin. The result will necessarily be, not that the quantity of paper in circulation is identical with the quantity of coin which would otherwise exist in the country, but that the variation in the quantity of paper and coin together corresponds with the variation which must have taken place if the circulation had been altogether of coin.

5. It

5. It is by this means alone that the identity of value of the joint circulation of paper and coin with that of coin alone is ensured. In this respect, therefore, I entirely approve of the change.

6. In regard to the amount for which the notes are to be issued, I am of opinion that raising the lowest denomination from five to ten rupees is unadvisable. It is not with a view to deriving profit from the issue of notes, or that they contemplate the withdrawal from India of the silver which is in the country, either in the shape of coin or otherwise, that the Government have introduced this measure. Their main object is to substitute an economical and convenient currency, as far as the people will adopt it, for the more expensive, and, from its bulk, inconvenient, circulation of silver.

7. The inconvenience and expense of the transmission of large amounts of silver coin from one part of India to another, would at once be obviated, to the extent that notes could be substituted for silver coin.

8. If the notes should be freely and generally taken by the people of India, and their circulation firmly established, so that a larger amount might be based on security, it might be possible to withdraw a quantity of the coin from circulation, and this silver would be available for any purpose for which that metal is in demand in India.

9. But it is obvious that the advantage to be derived in any of these modes depends upon the extent to which paper is substituted for silver, and the question whether notes can be substituted for any portion of the existing circulation, depends essentially on the amounts for which the notes are issued. Unless they are for such amounts as can be practically used in the ordinary payments of the people, they cannot circulate to any extent.

10. The sums required for payment of wages, or for the ordinary purchases made by the mass of the population in India, must, in each instance, be infinitely smaller than the sums required for similar purposes in this country. In England, however, the value of the lowest coin above silver coin for change, and the denomination of the lowest note in Scotland and Ireland, is a pound. Your proposal is to have no note in India of a lower denomination than ten rupees, which is equal to a pound.

11. The same reasons which fixed the amount for this country, would, when applied to the circumstances of India, clearly point out that the minimum denomination of note beyond small coin should be lower than what is found necessary in this country, where the ordinary amount of small payments must necessarily be larger than in India.

12. Unless notes are issued for sums small enough to be used in making payments in the ordinary transactions, the silver coin will not be displaced, except for the small number of payments of higher amounts, and the benefit of the introduction of paper currency will be rendered comparatively trifling.

13. I am of opinion, therefore, that the lowest denomination of notes should be, as proposed by Mr. Wilson, of five rupees. It is my desire that the Bill should in this respect be restored to its original form.

14. I observe that in Clause IX. it is provided that the silver coin for which notes may be demanded must be of "full weight." In this country coin is current and legal tender, although it may be, from being worn in use, to a certain amount below the full weight. It seems to me that any coin which is legally "current" should be received and notes issued in exchange for it. *See* Act XVII., 1835.

15. I presume that the rate of 979 rupees per 1,000 tolahs is the proper allowance for seignorage, mintage, and other charges of issue.

16 I am very doubtful of the advantage of allowing gold bullion or coin to be held to the extent of one-fourth of that on which notes are issued. The power which the Bank of England possesses by law of holding one-fourth of its bullion in silver, which is not the material of the standard coin, can hardly, from the difference of circumstances, be quoted as an authority for that course.

17. It is well known that drains on the Bank of England for coin or bullion are generally for export. When the Act of 1844 was passed, silver bullion was as well, or even better, calculated to answer that purpose than gold, inasmuch as silver was at that period the standard coin of every foreign country (with, I believe, one exception), with which we had any commercial intercourse.

18. In the Bank of England the bullion is deposited by the importer; notes are issued on it to the banking department, and a credit is given by the banking department to the importing merchant, to the extent of those notes, that is, in truth, to the extent of the deposit of gold. In the transaction of his ordinary business the merchant avails himself of his credit with the Bank, and draws on it for notes according to his wants. If gold is required by him, he still draws for notes, they are exchanged for bullion, and the bullion exported. The Bank of England is the place of deposit and safe keeping of bullion for the merchants of this country, and the functions performed by that Bank are those of a great trading establishment.

19. It may be possible that, at the Presidency towns, there will occasionally be a demand for gold for export, but the position of the Government or Currency Commissioners is totally different from that of a great banking establishment like the Bank of England. It is no part of the functions of the Government Currency Estaolishment to hold bullion for the convenience of the merchant. To whatever extent this may be necessary or useful in India, it should be done by the banks of that country. It is a part of the banking or trading business of the community.

20. The bullion or coin held in the Department of Issue must be held entirely for its own purposes, and be of such a description as to ensure those purposes being answered. Now the demand of coin for notes, which is to be anticipated and feared in India, is an internal demand which might occur if distrust of the notes were entertained. To meet such a demand, the current coin of the country is the only certain resource. If gold were held in the Currency Department, it still must be optional with the person presenting notes to receive it. The only certain security for the convertibility of the note at the office of the issuer is, payment in that coin which is legal tender through the country.

21. I am not insensible to the possible advantage which might arise from the introduction of the sovereign as the current coin of India (as it is, I believe, in Ceylon); but, at the present relative intrinsic value of gold and silver, no combination of Indian coins can express the value of the sovereign. If, by any change in the relative value of the two metals, a sovereign and 10 rupees were to become of equal intrinsic value, the sovereign might readily be introduced, and become the standard coin of India; but at present it can only be taken at its value as gold, and that value will vary from time to time, according to the demand at the moment for that metal.

22. This value must be determined amongst traders for themselves; and the Government will only embarrass itself, and effect no purpose, by attempting, in any way, to vary or alter the ordinary operations of trade.

23. If gold should ever become the standard of India, the reserve of the issuing banks would be held in gold, and not in silver, and in that case all this provision of the Act would have to be changed.

24. I will not, however, object to the power given by the clause; but I desire that it may be used to a very limited amount, and only in the Presidency towns.

25. I come now to the proposed arrangements with the Bank of Bengal. These arrangements are not contained in any way in the Bill, but they are adverted to in the Report and Minutes. I confess that I do not clearly understand what they are to be, and I can only therefore make some general remarks upon certain of the points adverted to in those papers. The contemplated arrangement appears to me to be of a double character:

1st. Constituting the Bank of Bengal the bankers of the Government.

2d. Entrusting them with some important functions as regards the currency.

26. As

26. As regards the first point, Mr. Laing, in his Minute, observes that "arrangements are now pending with the Bank of Bengal for keeping the Government account, and for the custody of its cash balance at Calcutta." From this proposition, however, the payment of the interest of the public debt appears to be excluded. To this arrangement, provided proper security be taken against any loss to the Government by any misconduct on the part of the Bank, I have no objection, but I can see no reason why all payments on account of the Government should not be made in the same way.

27. I observe that Mr. Laing goes on to say,—"And it seems to me that these arrangements might, with great advantage to the Government, and great convenience to the public, be extended to other banks and Presidencies, and to the principal towns of the interior." I see no objection to similar arrangements to those proposed for the Bank of Bengal being made with the Banks of Madras and Bombay. I concur with him also that, where there are branches of the Banks of Bengal, Madras, and Bombay, in other towns of their respective Presidencies, they would virtually be available for the same purposes as the parent establishments in the Presidency towns; and perhaps arrangements might be made with other banks in the interior; but the convenience will not be great, unless they are in communication with banks elsewhere.

28. Secondly, the functions proposed to be entrusted to the Bank in respect to currency. These are described in the following manner:—According to the Report of the Committee, the function of Commissioners will be "reduced to the simple one of giving notes for specie, and specie for notes." "The masters of the Mints may probably be the Commissioners at the Presidency towns." "In certain cases it may be advantageous to use the agency of banks, especially at the Presidency towns;" but "such an agency would in no respect alter the character of the issue, which would remain that of the Government, who would retain the exclusive possession of the reserves against which the notes were issued." Mr. Laing considers that the best agency for issuing and paying notes will generally be that of the existing banks, wherever they now have establishments or may be disposed to open branches, provided they will undertake the business on reasonable terms, and give proper security. He is also of opinion that such an arrangement would be a great convenience to Government, as, instead of having to keep cumbrous and costly establishments and accounts, for the exchange of notes for coin and coin for notes, with the general public, "the object would be attained by one periodical adjustment between the Mint, or Local Treasury, and the Bank."

29. It is provided by Clause IX. that notes shall be issued by the Commissioner to any person in exchange for silver, bullion, or coin, at the prescribed rate, exactly, I presume, as silver coin would now be issued in exchange for bullion. I suppose that, under the arrangement proposed, the notes of the Bank of Bengal being by a given day withdrawn, Government notes will be issued to the Bank, as to any other person, in exchange for bullion or coin, and that the Bank will then use these notes precisely as it has hitherto used its own notes. If this be what is intended, I do not see for what they are to receive a certain payment.

30. The bullion or coin received from them, or from any other persons, will of course be transferred to, and kept by, the Commissioner of Issue.

31. Something, however, beyond this seems to be contemplated; but as to what this may be the papers do not afford definite information. The words of Mr. Laing's Minute would almost seem to imply that you intend all bullion or coin to be taken, not to the Commissioner of Issue, but to the Bank, and notes issued thereon only at the Bank; and he speaks also of the "periodical adjustment between the Mint, or Local Treasury, and the Bank."

32. This, however, would be inconsistent with the words of Clause IX.* I think it most important that arrangements should be made, so as to carry the provision

* "The Head Commissioner, the Commissioners, and the Deputy Commissioners or Agents, shall in their respective 'circles of issue,' on the demand of any person, issue from such office or agency, or offices or agencies of issue, as shall be established in the appointed city or town in their respective circles, promissory notes of such denominations as shall be prescribed under Section III.," &c.

provision of that clause strictly into effect. It would probably be objected to by other banks in Calcutta, that they should be obliged to go to the Bank of Bengal to obtain notes, whereas neither they nor any one could object to having to take their silver to the Issue department for notes, precisely as they now carry it to the Mint, in order to obtain coin. The issue of notes should, therefore, be kept quite distinct from any banking establishment; and the supply of notes to any banks must be on precisely the same terms as to any other person. I do not see how you can properly dispense with the direct action of a Government office in this respect.

33. The assaying of the bullion must be done by the Mint; and I do not understand how the verification of the notes can be entrusted to any but a Government officer. This obviously is indispensable, if notes are issued to other persons than the banks, and are presentable by them to the Commissioner of Issue. They must, of course, have the means of verification at their command.

34. I am the more confirmed in this view, because, whilst I can understand its being possible, however undesirable, that the practical business of issue might be managed at the Presidency towns by the banks, I think it impossible that it should be so throughout India.

35. If the issue of notes in the country is to be restricted to those places where there are branches of the Bank of Bengal, or other banks, it seems to me that very few will be brought into circulation beyond the neighbourhood of the Presidency towns.

36. It is, for the reasons to which I have adverted in the earlier part of this letter, very desirable to substitute a currency of notes for that of silver, as largely as the population will adopt it; and I am anxious, therefore, that every reasonable facility should be given for their introduction.

37. You have provided for the creation of Deputy Commissioners of Issue in the different Presidencies, and you have very properly given the Government the power of establishing, enlarging, and altering circles of issue in any part of India, and I see no reason why this power should not be exercised by establishing Deputy Commissioners of Issue in large towns, which you may deem to be the most suitable centres of issue. To a certain extent it is probable that the notes might be introduced into circulation in the principal towns in India, and to whatever extent that is done, the object sought for by the measure will be accomplished.

38. Of course it can only be expected that the introduction of the notes will be very gradual, but the experiment should be, at any rate, fully and fairly tried. If, as I hope, the notes are adopted in different towns and their neighbourhoods, the advantage of their use for transmission from one part of the country to another will be evident to the trading part of the community, and by an extension or alteration of the boundaries of the circles, the circulation of the notes may be made more general, and will extend through the different circles.

39. It is impossible to suppose that the progress in this respect will be very rapid; but if the introduction of the notes is to be confined to the gradual enlargement of the circles from the Presidency towns, it must be a very slow process, whereas by their introduction at several centres, the gradually expanding circles may be expected soon to meet, and to embrace the greater part, if not the whole, of India.

40. These appear to me to be conclusive reasons for the appointment of Commissioners or Deputy Commissioners of Issue in such places as you may select for the centres of circles of issue. Wherever an issue is to take place, I am of opinion that there should be a Government officer by whom the issues should be made.

41. I can quite understand, however, that the notes may be more readily brought into circulation through the medium of bankers, or indeed of other traders, and in a limited sense, therefore, I do not object to the words in the 4th and subsequent clauses, which seem to have been introduced with this view. I object, however, to any banker or trader being, at any centre of issue, the only place where coin can be obtained for notes, or notes for coin. Such an arrangement

arrangement is quite inconsistent with the intention and scope of an Act to provide for a Government paper circulation in India.

42. With the exceptions limiting the denomination of the notes to ten rupees and upwards, and of the stipulation of the full weight of silver coin, I have no alteration to suggest in the words of the Act, as the alterations in practice which I have recommended are not inconsistent with its provisions.

I have, &c.
(signed) *C. Wood.*

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Financial Department.—No. 125 of 1861.

To the Right Hon. Sir *Charles Wood*, Bart., M.P., Secretary of State for India.

Sir,

We have the honour to forward herewith a copy of the Paper Currency Act as passed in the Legislative Council on the 13th instant.

2. The amendments introduced in it appear to meet your wishes as expressed in your Despatch in this department of the 2d May last, No. 75, and your notes on the Currency Bill (as reported by the Select Committee on the 16th February 1861).

3. Sir Bartle Frere, who had charge of the Bill, proposed to amend it by substituting five rupees as the lowest denomination of notes for 10 rupees in each place where it occurs in the Bill. But the amendment was negatived on a division by six votes to two.

4. The alterations suggested in Section IV. and Section XI. have been inserted.

5. With reference to your remark that Section IV., while it gave power to the Governor General in Council to appoint Commissioners, did not give a power of removal, we apprehend that the power of removal is inherent in the office of the Governor General in Council, and the express grant of such power in this instance might appear to render it questionable in others.

6. On Section VI. you remarked that the head office of a circle should not be an agency with a bank. It was therefore proposed to use words in that section which would show that agencies in any circle are to be additional to the Deputy Commissionership; and in conformity with this view, instead of the words "Deputy Commissioner or agents," the words in the subsequent parts of the Bill were altered to "Deputy Commissioner and agents," and in the two places (in Section VIII. and Section IX.) in which the words occur, "Office or agency or offices or agencies," the words substituted are, "Office or offices or agencies," thus removing the presumption that the office (if there is but one) might be an agency. These amendments are embodied in the Act.

7. In Section IX., line 14, the change which you suggested, namely, "Current silver coin" instead of "Silver coin of full weight," has been adopted.

8. In the same section there is the provision for the reception of gold. It will be observed that the order of the Governor General in Council is to specify the places at which gold shall be received, so that your desire that this should be confined to Presidency towns may be carried out without an alteration of the section.

9. The power of an agent to sign notes has been taken out of Section XVII.

We have, &c.
(signed) *Canning.*
*H. B. E. Frere.*
*R. Napier.*

Fort William, 16 July 1861.

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## ACT No. XIX. OF 1861.

Passed by the Legislative Council of India.—(Received the Assent of the Governor General on the 16th July 1861.)

AN ACT to provide for a Government Paper Currency.

Preamble.

WHEREAS it is expedient to provide for the issue by the Government of India, of promissory notes payable to bearer on demand, and to regulate the mode of issuing and securing payment of the same; and whereas due notice has been given by the Governor General of India in Council to the Banks of Bengal, Bombay, and Madras respectively, as required by Acts VI. of 1839, III. of 1840, and IX. of 1843, that the said banks are to be modified by the power of the said banks to issue promissory notes payable on demand, ceasing from and after the day hereinafter provided; it is enacted as follows:—

Laws repealed.

I. Section XXXI. of the said Act VI. of 1839, Section XXXI. of the said Act III. of 1840, and Section XXXIII. of the said Act IX. of 1843, so far as the said sections authorize the Banks of Bengal, Bombay, and Madras respectively, to issue promissory notes payable on demand, are repealed from and after the 1st day of March 1862.

No body corporate or person to issue notes, &c., payable to bearer on demand.

Exception in favour of cheques.

II. After the passing of this Act, no body corporate, person or persons whatsoever, in British India, (except the Banks of Bengal, Madras, and Bombay, up to the said 1st day of March 1862, and except as hereinafter provided) shall draw, accept, make, or issue any bill of exchange or promissory note, or engagement for the payment of money payable to bearer on demand, or borrow, owe, or take up any sum or sums of money on the bills or notes payable to bearer on demand of any such body corporate, or of any such person or persons. Provided that cheques or drafts payable to bearer on demand or otherwise, may be drawn on bankers, shroffs, or agents by the customers or constituents of such bankers, shroffs, or agents, in respect of deposits of money in the hands of such bankers, shroffs, or agents, and held by them at the credit and disposal of the persons drawing such cheques or drafts.

Department of issue to be established.

III. There shall be established by the Governor General of India in Council, a department of the public service, to be called the Department of Issue, either in connection with the Mints or otherwise, and from and after the passing of this Act, there may be issued from the said department, as hereinafter provided, promissory notes of the Government of India, payable to bearer on demand, for such sums, not being less than 10 rupees, as the Governor General of India in Council shall from time to time direct.

Head Commissioner and Commissioners to be appointed.

IV. The Governor General in Council, after the passing of this Act, shall appoint some person, who may be the Master of the Mint at Calcutta, to be called the Head Commissioner of the Department of Issue, and two other persons, who may be the Master of the Mint at Madras, and the Master of the Mint at Bombay, who shall be called respectively the Commissioners of the Department of Issue at Madras and Bombay, and it shall be lawful for the Governor General of India in Council from time to time, by rules to be published in the Gazettes of Calcutta, Madras, and Bombay, to make such arrangements through any officers of Government, or with any persons, banks, or bodies corporate, either at Calcutta, Madras, and Bombay, or elsewhere, as may be required to regulate and facilitate the issue and payment, under the provisions of this Act, of promissory notes of the Government of India, of such denominations as shall be prescribed under the last foregoing section, not being for any less sum than 10 rupees.

Power to Governor General in Council to establish circles of issue.

V. It shall be lawful for the Governor General of India in Council from time to time, by order to be published in the Gazettes of Calcutta, Madras, and Bombay, to establish in British India districts, to be called "Circles of Issue," three of which circles shall include the towns of Calcutta, Madras, and Bombay, respectively, and in each circle to appoint some one city or town to be the place of issue of notes, as hereinafter provided. It shall be lawful for the Governor General of India in Council, by an order to be published as aforesaid, from time to time to alter or extend the limits of the said circles, or any of them. Promissory notes of the Government of India may be issued in the several circles of issue as hereinafter provided.

Deputy Commissioners to be appointed.

VI. For each circle of issue, other than those which include the towns of Calcutta, Madras, and Bombay, there shall be appointed by the Governor General in Council, an officer of the Government or other person, to be called the Deputy Commissioner of Issue. In any circle of issue, there may be also established an agency or agencies of issue in connexion with a bank or otherwise.

Commissioners to be subordinate to Head Commissioner, Deputy Commissioners to Commissioner.

VII. For the purposes of this Act, the Commissioners at Madras and Bombay shall be subordinate to the Head Commissioner; the Deputy Commissioners and agents in the Presidency of Fort William in Bengal shall be subordinate to the Head Commissioner; and the Deputy Commissioners and agents in the Presidencies of Fort Saint George and Bombay shall be subordinate to the Commissioners of Madras and Bombay respectively.

VIII. The

Notes to be prepared by Head Commissioner, and distributed by him.

VIII. The Head Commissioner of Issue for the time being shall provide, on paper to be specially manufactured for the purpose, promissory notes of the Government of India, payable to bearer on demand, of the denominations which shall be from time to time prescribed under Section III. of this Act, and shall supply, or cause to be supplied to the Commissioners at Madras and Bombay, and to the several Deputy Commissioners and agents, such notes as they shall require for the purposes of this Act, and all notes shall bear upon them the name of the city or town from which they are severally issued, and shall be payable only at the office or offices, or agencies of issue of such city or town, and at the Presidency town of the Presidency, within which such city or town is situated.

Where payable.

When such notes may be issued.

IX. The Head Commissioner, the Commissioners, and the Deputy Commissioners and agents shall, in their respective "Circles of Issue," on the demand of any person, issue from such offices or agencies of issue as shall be established in the appointed city or town in their respective circles, promissory notes of such denominations as shall be prescribed under Section III., not being for any less sum than 10 rupees, on the terms following:—

1st. In exchange for the amount thereof, in current silver coin of the Government of India.

Or, 2dly. In exchange for the amount thereof, in standard silver bullion or foreign silver coin computed according to such standard, at the rate of 979 rupees per 1,000 tolahs of standard silver fit for coinage.

Proviso.

Provided that the said Head Commissioner, Commissioners, Deputy Commissioners, and agents shall, in all cases, be entitled to require such silver bullion and foreign coin to be melted and assayed at the expense of the person tendering the same; and provided also, that in all places where there is no Mint of the Government of India, it shall be optional for any such Head Commissioner, Commissioner, Deputy Commissioners and agents, to issue notes in exchange for silver or foreign coin under this section.

Or, 3dly. In exchange for other notes of the Government of India, payable to bearer on demand, of other amounts issued within the same circle.

Provided also, that it shall be lawful for the Governor General in Council from time to time to direct, by order to be published in the Gazettes of Calcutta, Madras, and Bombay, that notes to an extent to be specified in the order, not exceeding one-fourth of the total amount of issues represented by coin and bullion as herein provided, shall be issued at such offices or agencies of issue, as may be named in the order, in exchange for gold coin of full weight, of the Government of India, or for foreign gold coin or gold bullion computed at such rates, and according to such rules and conditions as shall be fixed by such order, and which rates, rules, and conditions shall not be altered without six months' previous notice. Whenever such order shall be issued, the Head Commissioner, Commissioners, Deputy Commissioners, and agents, at the offices or agencies specified in the order, shall be bound to issue notes on demand in conformity with such order.

The whole amount of bullion and coin received for notes to be kept as a reserve to pay such notes, excepting an amount not exceeding four crores of rupees, to be fixed as the minimum limit of circulation.

X. The whole amount of the bullion and coin so received for notes shall be retained and secured as a reserve to pay such notes, with the exception of such an amount, not exceeding four crores of rupees, as the Governor General in Council, with the consent of the Secretary of State for India, shall from time to time fix. The amount so fixed shall be published in the Gazettes of Calcutta, Madras, and Bombay, and shall be invested in Government securities, and the said coin, bullion, and securities shall be appropriated and set apart to provide for the satisfaction and discharge of the said notes; and the said notes shall be deemed to have been issued on the security of the coin, bullion, and securities so appropriated and set apart, as well as on the general credit of the Government. Provided that any gold coin or bullion which may be received under this Act, may be sold or exchanged for silver coin or bullion to be so appropriated and set apart, instead of the gold coin or bullion.

In what names the Government securities to stand.

XI. The Government securities purchased under this Act in the Presidency of Fort William in Bengal, shall stand in the name of the Head Commissioner and the Master of the Mint at Calcutta; the Government securities purchased under this Act in the Presidency of Fort Saint George shall stand in the name of the Commissioner at Madras and the Master of the Mint at Madras; and the Government securities purchased under this Act in the Presidency of Bombay shall stand in the name of the Commissioner at Bombay and the Master of the Mint at Bombay. Provided that if the Head Commissioner or Commissioner in any case be the Master of the Mint, the Governor General in Council shall appoint another trustee or trustees in addition to the Master of the Mint.

Rules to be framed for keeping and auditing the accounts.

XII. The Head Commissioner from time to time shall frame rules to be approved by the Governor General of India in Council, for keeping the accounts of the said Department of Issue, and for the auditing of such accounts, and for otherwise regulating the business of the department; provided that such rules shall be in nowise inconsistent with the provisions of this Act.

Abstract of accounts to be published.

XIII. An abstract of the accounts of the department, showing the whole amount of notes in circulation, the amount of coin and bullion reserved, distinguishing gold from silver,

silver, and the amount of the Government securities held by the said department, shall be made up monthly in Calcutta, and published as soon as may be in the Gazettes of Calcutta, Madras, and Bombay.

Securities to be disposed of when necessary.

XIV. It shall be lawful for the Head Commissioner in respect of the Presidency of Fort William in Bengal, and for the Commissioners at Madras and Bombay in respect of the Presidencies of Madras and Bombay respectively, at any time when they shall be ordered so to do by the Governor General of India in Council, to sell and dispose of any portion of the above-mentioned limited amount of Government securities standing in their names respectively, and in the names of the Masters of the Mint or Trustees as aforesaid; and for the purpose of effecting such sales, the said Masters of the Mint or Trustees respectively shall, on a request in writing from the said Head Commissioner or Commissioners in their respective Presidencies, at all times sign and endorse such Government securities as shall stand in their names respectively, and it shall be lawful for the said Head Commissioner or Commissioners, if directed by the Governor General of India in Council, to purchase Government securities to replace their sales.

Interest of securities to be paid to the credit of Government.

XV. The interest accruing due on the Government securities purchased and held under this Act shall be entered in a separate account to be annually rendered by the Head Commissioner to the Governor General of India in Council; and the amount of such interest shall from time to time, as it becomes due, be paid by the Accountants General in the several Presidencies of India, into the revenues of the Government of India, under the head of "Profits of notes circulation," and an account showing the amount of profits of the note circulation and of the charges and expenses incidental thereto, shall be made up and published annually in the Gazettes of Calcutta, Madras, and Bombay.

Notes where legal tender.

XVI. Within any of the "Circles of Issue," as hereinbefore provided, a tender of a note or notes issued under this Act from any office or agency of issue of such "Circle of Issue," shall be a legal tender to the amount expressed in such note or notes, and shall be taken to be valid as a tender to such amount in payment of any revenue or other claim to the amount of 10 rupees and upwards due to the Government of India, and in payment of any sum of 10 rupees and upwards due by the Government of India, or by any body corporate, or by any person or persons in British India, on all occasions whatsoever on which any tender of money can be legally made. Provided that no such note or notes shall be deemed to be a legal tender of payment by the Government of India at any office or at the Issue Department of any agency of issue.

Name of Head Commissioner, &c., may be impressed with machinery.

XVII. The name of the Head Commissioner, of either of the Commissioners, of any Deputy Commissioner, or of any other person authorised by the said Head Commissioner, or by either of the said Commissioners, to sign notes issued under this Act, may be impressed or affixed by machinery provided for that purpose by the Government of India, and such printed names shall be taken to be good and valid signatures to all intents and purposes, as if such notes had been subscribed in the proper handwriting of any one of the persons aforesaid whose signatures the said printing purports to represent.

Notes may be described as promissory notes.

XVIII. All notes issued under this Act shall be deemed and taken to be promissory notes of the Government of India, and may and shall be described as promissory notes of the Government of India in all indictments, and in criminal and civil proceedings, any law or usage to the contrary notwithstanding.

Penalty for issuing such notes contrary to provisions of this Act.

XIX. If any body corporate or person, after the passing of this Act, shall, contrary to the provisions of this Act, draw, accept, make, or issue any bill of exchange, promissory note, or engagement for the payment of money payable to bearer on demand, or borrow, owe, or take up any sum or sums of money on the bills or notes, or engagements for the payment of money payable to bearer on demand of any such body corporate or person, such body corporate or person shall be liable to a penalty to the amount of every such bill of exchange, promissory note, or engagement for the payment of money, to be recovered on the prosecution of the Head Commissioner, Commissioner, or Deputy Commissioner, as the case may be, of the "Circle of Issue" in which such bill of exchange, promissory note, or engagement for the payment of money is issued, before any police magistrate, or magistrate within such "Circle of Issue," and in case of conviction, and default of payment of such penalty, the police magistrate, or magistrate who shall try the case, shall issue his warrant to levy the amount thereof, together with the reasonable costs of the prosecution, by distress and sale of the goods and chattels of the body corporate or person so convicted.

Definition of "British India."

XX. The words "British India" in this Act shall denote the territories that are or may be vested in Her Majesty by the statute 21 & 22 Vict. c. 106, entitled, "An Act for the better Government of India," except the Settlement of Prince of Wales' Island, Singapore, and Malacca.

FINANCIAL LETTER to *India*, dated 17 October 1861, No. 159.

1. I HAVE to acknowledge the receipt of your financial letter, dated the 16th July last, No. 125, forwarding a copy of the Paper Currency Act, as passed in the Legislative Council on the 13th July.

2. In my financial Despatch, dated the 2d May last, No. 75, I conveyed to you generally the opinions of Her Majesty's Government on the subject of the Bill to provide for a paper currency, and I stated that with the exceptions of the limitation of the denomination of the notes to 10 rupees and upwards, which I considered should be lowered to five rupees, and of the stipulation that the silver coin for which notes might be demanded must be of full weight, thus excluding coins legally current, I had no alteration to suggest in the words of the Act, as the alterations in practice which I recommended were not inconsistent with its provisions.

3. I regret to find that as regards the first of those objections the lowest denomination of note has been fixed by the Act at 10 rupees. For the reasons stated in my Despatch, above referred to, it was my desire that the lowest denomination of note should be five rupees, and I see no reason to doubt that experience will prove that it would be expedient to use notes of that amount.

4. The change which I recommended in regard to the reception of current coin has, I observe, been adopted.

5. Your letter calls for no further remark.

I have, &c.
(signed) *C. Wood.*

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Financial Department.—No. 19, of 1862.

To the Right Honourable Sir *Charles Wood*, Bart., M.P., Secretary of State for India.

Sir,

ADVERTING to paragraph 25, and the subsequent paragraphs of your Despatch in this department, No. 75, dated 2d May 1861, regarding the arrangements with the Bank of Bengal, we have the honour to forward herewith for your information a copy of our proceedings noted in the margin,* from which it will be seen that those arrangements are to take effect from the 1st proximo.

2. The arrangements between the Government of Madras and the bank at that presidency have also been concluded. A copy of the notifications which the local Governments have been instructed to publish in their "Gazette," will be forwarded for your information as soon as received.

3. In Bombay the arrangements are still incomplete. We are informed by the Government of that presidency that their agreement with the bank there has been drafted and forwarded to the law officers for opinion. The Government has been requested to expedite the arrangements, and when these have been concluded and reported to us, a further communication will be made to you.

4. With respect to the Amended Charter Acts, the Bill relating to the Bank of Bengal is already before the Governor General's Council for making laws; that for the Madras Bank has just been received, and will be returned when approved to the Madras Government, for the purpose of being passed into law by the Council at that presidency; that for the Bombay Bank is in the same stage as the agreement above referred to.

5. As soon as the several Bills are passed into law, copies will be duly transmitted to you.

6. The

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* Financial Resolution, No. , dated 22 August 1861.
Notification, No. 1, dated 3 January 1862.
Financial Resolution, No. 51, dated 3 January 1862.
Financial Resolution, No. 13, dated 20 January 1862.

6. The arrangements with the branch banks, which the Bank of Bengal has determined to establish, as stated in the notification now forwarded, are in progress, and will be reported to you as soon as concluded. You will observe that by the terms of the resolution of this Government of the 3d January 1862, the objection stated in your Despatch of the 2d May 1861, to any banker being at any centre of issue, the only agent where coin can be obtained for notes or notes for coin, has been met, and provision has been made, by which parties who prefer it may apply directly to the head commissioner, whose office, although fixed at the bank, in order to meet the general wish of the commercial community, and to avoid expense and delay, will be entirely independent of that institution.

We have, &c.
(signed) *Canning.*
*H. B. E. Frere.*
*Cecil Beadon.*
*R. Napier.*
*S. Laing.*
*W. Ritchie.*

Fort William, 10 February 1862.

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EXTRACT from the Proceedings of the Government of *India*, in the Financial Department, dated 22 August 1861.

READ again letter No. 9314, of 30 July 1861, to the Accountant General to the Government of India, the sub-treasurer, Fort William, the civil paymaster, Fort William, and the secretary and treasurer of the Bank of Bengal, calling on those officers to report:—

1st. What is the precise nature of the duties to be performed by the Bank under the provisions of Articles I. and II. of the agreement with the Bank of Bengal.

2d. When, and in what manner the transfer of the duties shall be made.

3d. The number and forms of the accounts to be rendered by the bank to Government.

Read answer (without date) of the above-mentioned officers to the questions detailed.

Resolution.—His Excellency the Governor General in Council observes, that the committee report that, under Articles I. and II. of the Agreement with the Bank of Bengal, it will devolve on the bank to receive and credit daily to the Supreme Government of India, and the Government of Bengal, respectively, all monies paid into it, either by cash or transfer, on account of those Governments, and to disburse, under full and sufficient vouchers, covered by the authority of the requisite various officers of Government, and of pay, audit, and account, and under correct legal discharges, the money daily payable on account of those Governments on every account whatever.

For all money or monies so received, it will be the duty of the bank to deliver to the party making the payment, a receipt or other acknowledgment, stating the amount paid, and the account on which it was paid, and specifying the date of payment, under the signature of the secretary and treasurer of the bank, or other officer of the bank duly authorised by the directors of the bank. At the close of business of each day, it will be the duty of the bank to prepare (in the forms recommended and submitted with the committee's answer to point 3), the detailed accounts of the whole receipts and of the whole disbursements of the day, and to forward these, as early as possible on the following morning, with the Chalans of receipt and vouchers of payment regularly numbered, receiving in exchange the discharge of the Accountant General to the Government of India, after due check and audit, for the amount of the daily disbursements.

It will further be the duty of the bank at the close of business of each day to prepare, in the form recommended under point 3, three abstract total statements of the account of the said Supreme Government of India and Government of Bengal, showing the total balance of the said account at the commencement of each day's business, the total collections, the total disbursements, and the balance at the close of the business of the day, to be carried forward in account to the following day; and to forward them to the Civil Paymaster, the Accountant General, and the Financial Secretary to Government of India, provided always that the Bank of Bengal will not be finally discharged in its account with the said Government of India and Government of Bengal, except under the cheque drawn by the Accountant General to the Government of India, to be issued by him, after check and audit, daily, of the respective vouchers of receipts and disbursements received and paid by the bank; also to furnish such other monthly accounts, abstracts, and other statements as may from time to time be prescribed and required by the Government.

These duties are now performed in the receipt and payment of money by the sub-treasurer, Fort William, and his Excellency the Governor General in Council agrees with the

the committee in thinking that, on the transfer of the treasury business to the bank, the bank should be required to perform the same duties.

The committee go on to say that they do not consider that the Articles of Agreement, No. I. and II., provide for the discharge by the Bank of Bengal, of the other duties performed by the sub-treasurer, and that a separate agreement will be required for the performance of such other duties of the sub-treasurer as his Excellency the Governor General in Council may see fit to transfer to the Bank of Bengal. The committee add, that they have come to this conclusion because they see that the part of the sub-treasurer's establishment transferred to the bank is that part only which is allowed for the transaction of the business of receipt, collection, payment, and remittance of money.

His Excellency the Governor General in Council observes, however, that the Advocate General takes a view different to that of the committee. In Article II. it is agreed that the Bank of Bengal shall transact for the Government of India and the Government of Bengal all such business "as is usually transacted by bankers for their customers;" and it is held by Mr. Ritchie that the custody of Government securities and the drawing of interest thereon, are comprised within this provision. In this view his Excellency in Council concurs.

In speaking of the other duties of the sub-treasurer, the committee enumerate 16 departments.

No. 1.—*Government Savings Bank.*

The committee report that this is essentially a Government institution, carrying on its transactions with all parts of the country by means of the District Collectors and Divisional Paymasters; that its secretary exercises certain judicial powers under Act XXVI. of 1855; that it credits deposits and debits withdrawals made at the District Collectorates' and Paymasters' treasuries, on monthly returns forwarded by those officers; that these repayments are made by the Savings Bank Secretary by orders on collectors and paymasters; and that it has a separate establishment of its own, paid by Government, under an actuary, who is responsible to Government, and has given both bond of indemnity and security for the correct discharge of his duties; all which points, as well as the possibility of the present establishment being discharged, if the duties are made over to the Bank of Bengal, speak in favour of the savings bank being retained under the charge of the Accountant General of India, the Bank of Bengal acting merely as its bankers. On the other hand, the proposed establishment of branch banks by the Bank of Bengal in the interior of the country, and the facilities to be thus afforded for the management of the Government Savings Bank, and for the receipt and repayment of deposits, are considerations which, in the opinion of the committee, point to the expediency of transferring the management of the Savings Bank to the Bank of Bengal, when the district banks shall be established. Under these circumstances, the Accountant General and the sub-treasurer are inclined to recommend that arrangements be made with the Bank of Bengal to accommodate the Government Savings Bank on their premises, but that in all other respects it should retain its present character, and continue, subject to the existing rules, under the present actuary, the only change being the transfer of the duties of secretary to the Secretary of the Bank of Bengal, or to some other competent officer of the bank, as may be from time to time agreed upon; the Civil Paymaster and the Secretary to the Bank of Bengal recommend the entire transfer of the Government Savings Bank to the Bank of Bengal.

With reference to these recommendations, his Excellency the Governor General in Council remarks that if the transfer of the Government Savings Bank to the Bank of Bengal be made at all, it will only be fair to the Bank that they should be allowed to work it on their own system, and under the exclusive control of their own officers; but, looking to the constitution of the Government Savings Bank, as set forth by the committee, to the circumstance that the Bank of Bengal cannot accommodate the Government Savings Bank establishment on its premises, and to the possibility of objections arising in connection with the delegation to the Secretary of the Bank of Bengal of the judicial powers at present exercised by the Secretary to the Government Savings Bank, his Excellency prefers (for the present at all events) to leave the Government Savings Bank as it is, under the charge of the Accountant General to the Government of India, the Bank of Bengal merely acting as its bankers.

No. 2.—*Securities deposited by and belonging to Officers of Government on which the Sub-Treasurer draws and remits Interest.*

The committee see no objection to the performance by the Bank of Bengal, of the duties connected with these deposits, or to the transfer of the custody of these securities to the bank. They believe that the business would fall to be conducted in the agency department of the bank, and that the bank would charge the depositors the usual rate of commission on the drawings and remittances of interest; and of this, in the committee's opinion, the depositors would have no just ground to complain, but they think the bank should forego their present charge upon withdrawal of securities. Should any difficulty arise in respect to this arrangement, the committee recommend that the deposits, along with the establishment, be transferred to the charge of the Accountant General of India.

In the views thus expressed by the committee his Excellency in Council is unable to concur. He is of opinion, as stated above, that the custody of Government securities and

the drawing interest thereon are comprised within the general engagement entered into by the bank to transact for Government all such business "as is usually transacted by bankers for their customers." His Excellency in Council also is of opinion that it would be very unfair to throw upon depositors any charge on account of commission upon the drawings and remittances of interest; but there is nothing in the nature of the duties themselves to prevent the transfer of them to the bank; and as the bank have agreed to forego the demand of any commission or fees on the withdrawal of, or on the drawing or remitting of interest due on, the securities adverted to, provided that, in addition to the sum of 43,606 rupees to be paid to the bank under Clause III. of the General Agreement, such further sum as is reported by the sub-treasurer to be fair, with reference to the work performed in connection with the deposits by that part of the establishment which is not included in the sum of 43,606 rupees, be made over to the bank, his Excellency the Governor General in Council is pleased to resolve that the custody of the securities in question, and the duties connected with the deposits, be transferred to the Bank of Bengal, it being reserved for after consideration what further sum shall be paid to the Bank of Bengal under the condition mentioned above.

No. 3.—*The custody in deposit and credit of the Assets of Deserters, deceased Officers, and Soldiers (both in cash and articles deposited), and the preparation of the Accounts and periodical Statements connected therewith.*

The committee recommend that this duty be transferred to the Presidency Paymaster, who will transmit daily to the Bank of Bengal the cash received by him, in order that it may be credited to its proper head of account, and will deposit with the bank all articles of value (such as medals, jewels, &c.) for safe custody, taking a receipt for the same, and rendering to the Government for publication in the "Gazette," the periodical statements prescribed by them. The paymaster will also withdraw from the bank, and after obtaining the prescribed no-demand certificates from the Military Accountant and Auditor General, will, from time to time, remit any sums repayable to officers in the interior of the country, under the general orders relating to such repayments, or will pay them over to the administrators to the estates, or remit them home, as the case may require.

Of these recommendations his Excellency in Council approves.

No. 4.—*The Counter-stamp Department.*

His Excellency in Council also approves of the committee's recommendation, that this portion of the sub-treasurer's duties be transferred to the Civil Paymaster.

No. 5.—*The Deposits of the Supreme Court.*

These deposits are held under the joint and several charge of the Accountant General and sub-treasurer by the present rules of the Supreme Court, but in reality the Government promissory notes and accounts are, for the convenience of drawing interest, kept entirely in the custody of the Accountant General, who has an establishment paid from the fees realised to the Government under the rules of the court. The management of these funds is entirely under the control of the judges of the Supreme Court; but the committee see no objection to the transfer of the duties to the Bank of Bengal, and recommend that an application be made to the judges of the Supreme Court for that purpose.

His Excellency the Governor General in Council approves of the committee's recommendation, and resolves that, the sanction of the judges being obtained, the duties connected with the deposits of the Supreme Court shall be transferred to the Bank of Bengal.

No. 6.—*The Deposits and Accounts of the different Service Funds.*

These deposits, the committee think, may be transferred to the Bank of Bengal, with the concurrence of the managers and shareholders, and after the enactment of a new rule, constituting the Bank of Bengal (as custodian of the Government balances), their treasurer, instead of the sub-treasurer of Fort William, as is now the case, provided that the bank make no charge for the same. This arrangement will not, however, apply in the case of the Civil Service Annuity and Uncovenanted Service Family Pension Funds, which are held as book debts of the Government. These funds must be operated upon through the intervention of the Accountant General of the Government, India, in such manner as may be arranged by him with the bank. The secretary and accountant of the different funds ought also to be required to audit and pass, after assessing and deducting the income tax, the annuities and pensions payable in India. In the case of annuities and pensions payable in England, the secretary and accountant will require to obtain the orders of the Accountant General for the transfer of the amount transferable, and pass the same through the accounts of the Bank of Bengal, instead of, as at present, through those of the sub-treasurer.

His Excellency the Governor General in Council observes that nothing can be done in this matter without the concurrence of the managers and shareholders of the several funds, and it will probably take time to arrange with them. Letters may, however, be written to the managers on the subject, and the opinion of the Advocate General may be taken on the suggestion of the committee for the assessment of income tax by the secretaries and accountants of the several funds.

No. 7.—*Records, Accounts, and Vouchers of the General Treasury.*

The committee recommend that these be tranferred to the Accountant General, who will require them for constant reference, and who will have to prepare the accounts from the vouchers received from the bank daily, in the same manner as the accounts are now prepared by the sub-treasurer. The Accountant General will also have to ascertain from time to time, and to certify the particulars of assets at credit, or the manner in which such assets have been disposed of. As the account and record officers are responsible for, and well acquainted with, these matters, the committee recommend that such portion of the establishments of the Record Office and Account Department, as the Accountant General may require for the performance of the duties devolving on him, be transferred to him with the records and accounts.

His Excellency the Governor General in Council approves of these suggestions.

No. 8.—*The Acceptance of Bills not payable at sight, and payment of sight Bills without acceptance, issue of Supply Bills, and of Land Revenue, Public Service, and Privilege Remittance Transfer Receipts.*

The committee observe, that the payment of sight bills without acceptance, as recently authorised by the sub-treasurer, must cease, and that all Treasury bills, whether payable at sight or not payable at sight, will require to be accepted by an officer of Government, a view which is not concurred in by the Secretary to the Bank of Bengal or the Civil Paymaster in respect of bills payable at sight, who think it will throw unnecessary impediments in the way of the transaction of business by the public. The committee recommend the duty of acceptance be transferred to the Civil Paymaster as well as the issue of supply bills; the money for the last named being received at the bank, and the bills issued by the Civil Paymaster on the bank's advices; and the bank being furnished from time to time by the Civil Paymaster with advices of the treasuries which can be drawn on, and the account available at each, as is at present done to the sub-treasurer. The committee recommend that the money for land revenue, public service, and privilege remittance receipts be received by the Bank of Bengal under the existing rules, and that the receipts be issued by the bank as is now done by the sub-treasurer, corresponding advices, authorising the necessary payment to be made by the different collectors and paymasters drawn on, being daily issued on them by the Civil Paymaster on advices received from the bank, detailing the payments made and the receipts issued at the bank.

His Excellency in Council concurs in the views expressed by the Accountant General and the sub-treasurer, and resolves that the duties connected with bills shall be distributed between the Bank of Bengal and the Civil Paymaster, Fort William, in accordance with their recommendation.

No. 9.—*The Deposit of Educational, Nizamut, and other Funds on which the Sub-Treasurer draws and remits Interest and invests accumulations of Assets in Government Securities under orders of the respective authorities.*

The committee recommend that these deposits and the duties connected therewith be transferred to the Bank of Bengal on such terms as may be agreed on. The duty is now performed by the sub-treasurer without any charge to these funds.

His Excellency the Governor General in Council approves of this recommendation, and desires that the Bank of Bengal be requested to state on what terms they are willing to undertake the business.

No. 10.—*The Deposits of the Administrator General and Official Trustee, and the receipt of his Remittances to England.*

The custody of these deposits is now held, and the duty of their daily recurring receipts and return, is now performed by the sub-treasurer, without any charge save an allowance of 360 rupees a-year, made to the ministerial officer, who registers their receipt and return in the sub-treasurer's office. With the concurrence of the Administrator General, and under orders of Government, the committee see no difficulty in these deposits being transferred to the bank, on such terms as Government may arrange with the bank. They think the easiest mode of doing this would be for the Administrator General and Official Trustee, after sufficient authority has been obtained, to withdraw from the sub-treasurer's custody the papers now deposited by him, and to re-deposit them with the Bank of Bengal.

His Excellency the Governor General in Council approves of the transfer of these deposits to the Bank of Bengal in the manner above detailed, and desires that a communication be made to the Administrator General and the Official Trustee on the subject.

No. 11.—*The custody of State Jewels and of Copper Coins remitted by the Secretary of State.*

The committee observe that the Government alone can determine where State jewels should from time to time be deposited, and to what place those now held in the general treasury should be transferred, whether to the custody of the Bullion Office of the mint-master or elsewhere. The boxes of copper received from England now in the general treasury, amounting to about 5,000 boxes, can be sent to the mint whenever the Govern-

ment may be pleased to direct, if room is available for their safe custody; the want of room at the Bank of Bengal at present precludes the committee from recommending them to be made over to the bank.

His Excellency in Council resolves that the State jewels be sent to the mint, to remain in the custody of the mintmaster. The copper coins received from England may be looked upon as a part of the Treasury balances, and ought, his Excellency in Council observes, to be taken charge of by the Bank of Bengal. If, however, the Bank of Bengal has no room for these boxes they may be kept, for the present, in the mint vaults, to be transferred to the Bank of Bengal when room is available.

No. 12.—*The Deposits of the General Post Office.*

These deposits consist of halves of bank notes found in letters, the addresses of which could not be traced; also of return letters and their contents. The Bank of Bengal when applied to, with the view of obtaining value on the half notes, and placing the same in deposit in the Government Treasury balance, declined to cash the same, as the title to hold was considered by them to be defective. This point the committee think should be again submitted for the consideration of the directors of the bank, and perhaps value may be obtained from the bank; if not, the committee recommend these deposits of useless paper be burnt, under the authority of Government.

His Excellency the Governor General in Council approves of these suggestions, and directs that they may be carried out.

No. 13.—*The Remittance and Despatch of Bullion.*

The committee recommend this business be performed by the bank, under orders of the Civil Paymaster, the actual cost being defrayed by Government.

His Excellency the Governor General in Council approves of this recommendation, and remarks that it has already been determined, on consideration of the agreement with the Bank of Bengal, that the cost shall be charged in contingent bills to be passed by the Civil Paymaster.

No. 14.—*Custody and credit of Remittances from the District Treasuries.*

The committee recommend that these remittances be received, examined and credited either at the bank or the mint, as, from time to time, may be directed by the Government and the Civil Paymaster.

His Excellency the Governor General in Council approves of this recommendation, and observes, that the business would be done by the Bank of Bengal, in all cases except cases in which uncurrent coin is remitted for re-coinage; such remittances will naturally go to the mint.

No. 15.—*The Account and Correspondence Department of the General Treasury.*

His Excellency in Council also approves of the committee's recommendation that the accounts, and such portion of the establishment as may be required, be transferred to the Accountant General.

No. 16.—*Bonds of Indemnity, Emigration Bonds and Guarantees, Title Deeds of Government Properties, Fort Marlbro Bonds, Servants' Deposits and Emigrants' Deposits and Soldiers' Treasury Notes.*

His Excellency the Governor General in Council likewise approves of the suggestion of the committee, that these documents with their registers, be made over to the Accountant General with the other records.

No. 17.—*The Cash Balance of the General Treasury.*

This balance consists mainly of silver coin, and the committee understand that the Bank of Bengal could not conveniently receive it at present, and the Secretary of the Bank is apprehensive of the effect on the money market of so large an addition to the cash balance of the bank. A suggestion has been made that it could be sent to the mint to hold for the Bank of Bengal. The Committee add, that it is for the Government alone to determine this; but as the coin or an equal amount will necessarily go to the mint from the Bank of Bengal on the issue of the new currency, it seems to the committee a convenient and economical arrangement that it should be transferred at once to its final recipient. In this case, the mint instead of remitting coin to the General Treasury, would daily take back as much as convenient, and the mint receipt for the whole would eventually be transferred to the Bank of Bengal.

With reference to these remarks, his Excellency the Governor General in Council observes, that he can see no ground for the apprehension entertained by the Secretary to the Bank of Bengal, provided that the addition to the cash balance be not made until the time approaches for the withdrawal of the bank's circulation. The public will be apprised by notification of the terms on which the bank have agreed to take charge of the balances,

balances, and it will then be seen that the otherwise available resources of the bank for loaning, &c., will be increased only to the extent of 70 lacs, the excess of government balance, over and above that sum, being set aside in cash, or Government securities, or Government acceptances. The public cannot be deceived, if the amount of balance thus set aside is notified in the weekly returns of the bank. The real question for consideration seems to his Excellency in Council to be, whether it is desirable to make over the balances, until the time more nearly approaches for the withdrawal of the bank's circulation. The 70 lacs have been looked upon as giving the bank an equivalent for the withdrawal of their circulation. If it is given before their circulation is withdrawn, the bank, will for the time, have 70 lacs available for loaning, &c., more than they would otherwise have had, and the sudden curtailment of these available resources when the circulation is withdrawn might have an injurious effect. But the question of the date on which the business shall be transferred does not call for immediate decision, and it will better be determined when the general agreement with the bank has been signed.

It is not clear to his Excellency in Council what is meant by the committee's proposal to send the cash balance to the mint to hold for the bank. If it is intended that the mint authorities should be made responsible for the charge of any part of the balance properly appertaining to the charge of the bank, his Excellency in Council does not think that the proposal ought to be entertained. If, however, it is only intended that as the bank will of necessity want a supply of currency notes, the amount required to be deposited by the bank at the mint in exchange for such notes, should be sent direct from the Treasury to the mint, instead of being sent first from the Treasury to the bank, and then from the bank to the mint, his Excellency in Council sees no objection to the arrangement, provided the bank is made responsible for the money from the time it leaves the Treasury, and agree to pay the extra expense, whatever it may be, of conveying the treasure to the mint instead of to the bank.

With regard to the second point,* on which the committee were desired to report, it is observed by the committee that the Government alone can, on a consideration of what has been stated, determine when the transfer should be made. They remark that, apart from the actual cash balance, the transfer of which, if made to the bank, might occupy a fortnight, the other duties might be taken over at once, or one after another in the course of two or three days, and whenever the whole, or any department is directed to be transferred, the committee recommend that it take place from the first of a month. They consider that, previous to the transfer of the whole or of any department, official notice of the transfer should be given, so as to allow of its being known in all parts of the Indian empire. This they consider, will be found to simplify and to facilitate business.

* When and in what manner the transfer of the duties shall be made.

In these views, his Excellency the Governor General in Council concurs; but he is of opinion, as already stated, that it will be better to defer passing any decision as to the date on which the transfer shall be made until the general agreement with the bank has been signed; and he is further of opinion that as the sudden curtailment of the resources of the bank, by withdrawing their circulation, might have an injurious effect, the transfer should not take place until the circulation of the bank is about to be withdrawn.

With regard to the third point,† viz., the number and forms of accounts to be rendered by the bank to Government, the committee remark that, in their opinion, articles 1st and 2nd of the agreement only provide for the performance by the Bank of Bengal of the duty of receiving, collecting, paying, and remitting money on behalf of the Supreme Government of India and the Government of Bengal; and that for such portion of the other duties now performed by the sub-treasurer, as the Government may see fit, now or hereafter, to transfer to the bank a separate agreement, providing separately for the terms and conditions on which the business is to be transferred, should be concluded between the Government and the Bank of Bengal. The committee add, that the accounts to be rendered will be in the form of a register of all receipts and payments at the bank, which will be submitted daily, with the supporting vouchers, to the Accountant General, with an ordinary bank pass-book. The special form of this register, or daily statement of transactions, which is of the most simple description, and respecting which there is no difference of opinion, had, the committee think, better be left to be arranged between the Accountant General and the Bank of Bengal.

† The number and forms of accounts to be rendered by the bank to Government.

In respect to the nature of the account to be submitted, his Excellency in Council sees no reason to differ with the committee; but he cannot, as already stated, concur with them in the opinion they have expressed as to the extent of business to be undertaken by the bank under the 1st and 2nd articles of the general agreement, which are clearly intended to include the custody of Government securities deposited by the Government with the bank, and the drawing and remitting of interest due on such securities.

In addition to the above, the committee bring two other points to the notice of the Government, viz., firstly, how far the literal construction of the contracts with the railway companies may be affected by the abolition of the general treasury; and secondly, the necessity for some provision for the substitution of the officers of the bank of Bengal in the place of the sub-treasurer as special assessors and collectors of income tax duty upon all sums liable thereto, which may be paid from the bank.

His Excellency in Council considers that these questions should be submitted to the Advocate General for his opinion; on receiving that opinion action can be taken thereon.

In concluding their report, the committee bring under the consideration of Government the effect which the transfer of the business of the Treasury will have upon the position and prospects of a large number of most deserving uncovenanted *employés* of the Government,

vernment, who, if arrangements are not made by the Government with the bank to give them continued employment, will unexpectedly, through no fault of theirs, lose their means of subsistence, and who, even if continued by the bank for the service of Government, will still, unless special provision is made for them, forfeit their title to pensions to which they had always looked forward, and for which many of them have almost completed their term of service, while others are already qualified by service.

His Excellency in Council is of opinion that none of the servants of Government who will be displaced should be transferred to the service of the bank, except with their own complete good-will; and even in that case, it may be fair to give them some lien upon the Government for pension, &c., beyond the strict letter of their rule of service. But to those who are not transferred, his Excellency in Council thinks, that some indulgence is clearly due. The ordinary rules are not made to meet a case in which a large amount of skilled labour and trustworthiness is thrown upon the market. Such a case is quite different from that of gradual superannuation by lapse of time. But probably each case will have to be judged separately, and his Excellency in Council accordingly orders that a list of the members of the establishment dispensed with, containing a statement of their qualifications and their claims to pension and gratuity, be prepared and submitted for the consideration of Government.

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ORDERED, that a letter be written to the Judges of the Supreme Court, enclosing a copy of the clauses of this resolution relating to head No. 5, viz., "Deposits of the Supreme Court," and requesting them to sanction the transfer of the deposits to the Bank of Bengal.

Also, that letters be written to the managers of all the Service Funds, enclosing copy of the clauses of this resolution which refer to heading No. 6, viz., "the deposits and accounts of the different Service Funds," and requesting (except in the cases of the Civil Service Annuity Fund and the Uncovenanted Service Family Pension Fund,) their concurrence and that of the shareholders in the proposed transfer.

Also, that a letter be written to the Government solicitor, enclosing a copy of paragraph 15 of the committee's report, which has reference to the performance of the duty of assessing and deducting income tax on annuities and pensions payable in India; together with a copy of the clauses of this resolution which have reference to the points brought to notice by the committee in paragraph 30 of their report; and requesting that he will obtain the opinion of the Advocate General; first, as to the proposals made by the committee for constituting the several secretaries and accountants of the funds, assessors, and allowing them to deduct income tax; and secondly, on the points referred to in paragraph 30 of the committee's report and the clauses of this resolution relating thereto.

Also, that a letter be written to the Administrator General, enclosing copy of the clauses of this resolution relating to heading No. 10, viz., "the deposits of the Administrator General and Official Trustee," and requesting him to take the necessary steps for withdrawing from the sub-treasurer's custody the papers now deposited with that officer by him, and redepositing them with the Bank of Bengal.

Also, that a letter be written to the directors of the Bank of Bengal, enclosing copy of the clauses of this resolution relating to heading No. 12, viz., "the deposits of the General Post Office," and requesting them to reconsider the question of giving value for the half notes therein referred to.

Also, that a copy of the resolution be sent to the Foreign, Home, and Public Works Departments, for information.

Also, that a copy of the resolution be sent to the Military Department, for communication to the offices of Audit, Pay, and Account, under that department.

Also, that a copy of the resolution be sent to the secretary to the Government of India, in the marine department, for information.

Also, that a copy of the above resolution be forwarded to the Government of Bengal, the Calcutta Mint Committee, the Accountant General to the Government of India, the Deputy Auditor and Accountant General, Bengal, the Sub-Treasurer and the Civil Pay Master, Fort William, for information.

(A true extract.)

Secretary to the Government of India.

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FINANCIAL DEPARTMENT.

(No. 1.)

Fort William, 3 January 1862.

*Notification.*—Notice is hereby given, that the Treasury of the Secretary of State for India in Council, and of Her Majesty's Indian Government at Calcutta, shall, from and after the 1st day of March 1862, be established at the Bank of Bengal. All payments to be made by or to the Secretary of State in Council, or to the Government of India, or the Government

Government of Bengal at the Treasury of the East India Company, or of the Secretary of State in Council, or of the Government at Fort William, shall and may from and after the above-mentioned date be made at the said Bank of Bengal.

The issue of Government promissory notes provided for by Act XIX of 1861, shall take effect from and after the aforesaid date.

The terms on which the business of the General Treasury and the Government paper currency shall be conducted by the Bank of Bengal, are contained in the following:—

### AGREEMENT with the Bank of Bengal.

Memorandum of agreement made and entered into this 26th day of September in the year of our Lord 1861, between the Secretary of State in Council for India of the one part, and the Bank of Bengal of the other part.

Whereas the Governor General of India in Council, under and by virtue of the provisions of Act VI. of 1839 of the Legislative Council of India, on the 11th of February 1861, gave notice, in writing, to the Bank of Bengal, that from and after the expiration of 12 calendar months from the date of the said notice, the Bank of Bengal and its then powers and authorities would be modified, and by Act XIX. of 1861, the powers and authorities of the said bank have been accordingly modified, as by that Act appears: And whereas at the time when the said notice was so given, negotiations and arrangements were pending between the Governor General of India in Council (acting in the premises on behalf of the said Secretary of State) and the Directors of the Bank of Bengal, having for their object the transfer to the said bank of the business of the Government Treasuries at Fort William and elsewhere in the Presidency of Fort William and the provinces annexed thereto, and the superintendence and management by the said bank, for the Government of India, of the issue of the then proposed Government paper currency: And whereas the general terms of the said proposed arrangement have now been finally settled and agreed upon between the Governor General in Council and the Directors of the said bank, and by the said Act of 1861, the said bank have been empowered to enter into an agreement in that behalf with the said Secretary of State in Council: And whereas by Act XIX. of 1861 of the Legislative Council of India, provision has been made for the issue by the Government of India of promissory notes payable to bearer, on demand. Now this indenture witnesseth, that for the purpose of carrying out the said arrangement, and in consideration of the payments and covenants hereinafter respectively mentioned and contained, and by and on the part of the said parties to these presents respectively, to be paid and performed, each of them, the said Secretary of State in Council and the said Bank of Bengal doth and do hereby for himself and themselves, and his and their respective successors, covenant and agree with the other of them and their and his respective successors in manner following (that is to say):—

1st. From and after the day to be appointed by the notification mentioned in the 20th paragraph of these presents, the business of receiving and paying money on behalf of the Supreme Government of India and the Government of Bengal, heretofore transacted at the General Treasury at Fort William, shall be carried on and transacted by the Bank of Bengal, subject to the provisions of this agreement, and to such orders and directions with regard to receipts and payments as may, from time to time, be given to the said bank by the Governor General in Council, or any of the officers of the Government of India authorised in that behalf, and for the purpose aforesaid, such account or accounts shall be opened in their books by the said bank with the Government of India and Government of Bengal, as the said Government of India shall, from time to time, direct.

2d. The cash balance now in the General Treasury shall, from and after the day appointed by the notification aforesaid, be deposited with the Bank of Bengal, who shall also hereafter receive and hold for the said Government of India and Government of Bengal, respectively, all moneys and balances which, but for these presents, would have been received or held by the said General Treasury; and the bank shall transact, at their principal office in Calcutta, all such business for the Government of India and Government of Bengal, respectively, regarding the receipt, collection, payment, and remittance of money and securities and other matters, as is usually transacted by bankers for their customers.

3d. That from and after the day appointed by the notification aforesaid, the said Secretary of State in Council shall pay to the bank the actual costs and expenses of packing and shipping specie remitted under the preceding clause, and for which costs and expenses contingent bills shall, from time to time, be submitted to the Civil Paymaster, Fort William, for the time being, and be passed by him, on approval; and the said Secretary of State in Council shall, from and after the last-mentioned day, further pay or cause to be paid to the said bank the yearly sum of 43,606 rupees in full of all costs and expenses attendant on the maintenance by the said bank of the establishment of clerks and servants necessary for the carrying on of the said Government banking account and business, and the bank shall not charge any interest or commission on the said account, except under such arrangement as in the next following clause mentioned.

4th. That so long as the average cash balance for any month in the hands of the said bank on the said Government banking account shall not exceed 70 lacs of rupees, the said

bank shall be at liberty to use and employ such balance, subject to the provisions of their present Charter Act, or any future Act relating to the said bank, and to appropriate the profits arising from such employment, without being charged with any interest in account: And that when and so often as the monthly average of such cash balance shall exceed 70 lacs of rupees, the Directors of the said bank, for the time being, shall forthwith either set aside such excess or surplus in cash, to be kept in reserve in a separate cash-room or place of deposit, on account of the said Government of India, or shall at the option of the Directors of the bank invest such excess or surplus on account of the Government of India, either in the purchase of Government Securities, or Railway Debentures guaranteed by Government, in the name of the Accountant General, or of such other officers as the Government of India shall, from time to time direct, or in the discount of Government acceptances or other claims against the Government, and so that such surplus shall be withdrawn from employment as part of the general funds of the bank, and so on from time to time as often as an uninvested surplus cash balance above 70 lacs of rupees shall, on the taking of the monthly average, appear to be in the hands of the bank. And the said bank shall at all times be answerable and accountable to the Government of India for the surplus cash balance for the time being so set apart or invested, but shall be entitled to draw and apply the interest or dividends arising from such investment, from time to time, to their own use. But when and so often as the cash balance in the hands of the said bank shall, on the taking of the monthly average, appear to have been less than 50 lacs of rupees, then, in addition to the profit which the said bank may acquire by the employment of such balance, free from interest as aforesaid, an additional allowance or remuneration by way of compensation shall be made to the bank by the payment by Government of interest on the difference between the amount of the actual balance of Government and the sum of 50 lacs, the interest being calculated at the average rate of interest paid by the public on fixed loans during the month.

5th. That the books of account, and minutes of proceedings of the bank relating as well to the said Government banking account and business as to the general accounts and business of the bank, shall, from time to time, and not less than once, and not exceeding four times, in any one year, be submitted to the examination and audit of an officer or officers to be, from time to time, appointed or authorised by the Governor General in Council for that purpose; and the report of such officer or officers as to the state of the banking account between the Government of India and the bank, or as to the cash balances invested or uninvested for the time being in the hands of the bank, or as to any proceeding relating to the said banking account or business shall first be laid before the Directors of the bank to enable them to furnish any explanation or further information touching any of the matters referred to in the report; and such report, together with the explanation, shall then be submitted to the Governor General in Council, whose order, decision, or finding on such report shall be binding and conclusive on the bank.

6th. That from and after the day appointed iu the notification aforesaid, an agency of issue shall be established at the principal office of the Bank of Bengal, as the agency for the Circle of Issue (of Calcutta) under Act XIX. of 1861, and that the said bank shall and will act as agents for the said Secretary of State in Council and the Government of India, in and for the issue to the public at Fort William, and the circulation of the Government currency note established by the said Act, and in the payment and cashing of such notes, and in all things required to be done by such agents, or at such agency, under or by virtue of the said Act.

7th. That all demands for the issue of Government currency notes that shall be made in the Circle of Issue of Calcutta, under the 9th Section of the said Act XIX. of 1861, may be made at the said agency at the principal office of the Bank of Bengal at Calcutta; and that the said bank shall and will, from time to time, issue and deliver from and at such agency, such amount of the said Government currency notes as may be duly demanded or applied for at the said agency, by any person or persons, or body or bodies corporate, desiring and entitled to have the same issued under the provisions of the said Act; and shall and will for that purpose, from time to time, apply to the Head Commissioner of the Department of Issue, established under the said Act, for such Government currency notes of such denominations as shall be necessary to enable the said bank to make such issue and delivery.

8th. That whenever the said bank shall issue and deliver at and from such agency any Government currency notes under the 2d Clause of the said 9th Section of the said Act, in exchange for standard silver bullion, or foreign silver coin, or under the proviso in the said section, in exchange for foreign gold coin or gold bullion, the said bank shall and will, before such issue and delivery, require the production by the person tendering such coin or bullion of a certificate signed by the Master of the Calcutta Mint that such coin or bullion has been weighed and assayed, and has been deposited in the Mint to the full amount in value of the notes so to be issued, or shall otherwise satisfy themselves that such bullion or coin to the amount in value of the notes so to be issued at the rates authorised in the said clause and proviso respectively, has been deposited with the said Department of Issue to the satisfaction of the said Head Commissioner, according to such mode as shall, from time to time, be directed, with the sanction of the Government of India, by the said Head Commissioner.

9th. That

9th. That whenever the said bank shall issue and deliver at and from such agency any Government currency notes under the 1st or 3d Clause of the 9th Section of the said Act XIX. of 1861, in exchange for current silver coin of the Government of India, or for other currency notes of the Government of India, payable to bearer on demand, of other amounts issued within the said circle, or under the proviso in the said section, in exchange for gold coin of full weight of the Government of India, the said bank shall carry the amount of the said current silver coin or notes, or gold coin of the Government of India, received by it in exchange for the notes so issued, to the credit of the Issue Department of the said Government in such account as the said Head Commissioner, with the sanction of the Government of India shall, from time to time, direct for that purpose.

10th. That the said bank shall not issue or deliver any of the Government currency notes provided and supplied to it by the said Head Commissioner for the purpose of being issued under the said Act, except to such person or persons, or body or bodies corporate as shall be entitled to demand the same according to the provisions of the said Act, and shall have complied with the conditions of the 9th Section thereof, or otherwise than according to the provisions of the said Act.

11th. That the said bank shall and will, during the continuance of these presents, pay and satisfy on demand to the holders, the amount of all Government currency notes duly issued according to the provisions of the said Act XIX. of 1861, either in Calcutta or in any other circle of issue within the Presidency of Fort William in Bengal, which shall be presented for payment or conversion into cash at the principal office of the bank in Calcutta.

12th. That a settlement shall take place at least twice in every week, and if required by the bank or by the Head Commissioner of the issue department, daily at the office of the bank in Calcutta, between the bank and the said department of issue, in respect of the notes issued, the bullion or coin, and notes in exchange for which the same have been issued, and the notes cashed or converted, under these presents or the said Act by the bank, and the difference in Government currency notes or in cash and bullion (as the case may be) shall on such settlement be adjusted, transferred, and paid.

13th. That so much of the business of the said issue department as shall, from time to time, be carried on at the bank's office, shall be under the direct control and inspection of the Head Commissioner of the said department of issue.

14th. That the bank shall, if required by the officer in charge of the Government issue department so to do, provide and keep a separate strong room or strong box for the reception and safe keeping of all currency notes, coin, and bullion belonging to the said issue department, and such room or box shall be under the separate control of the said issue department, and its contents shall always be kept separate from the bank funds and property, and shall be at the exclusive risk of the Government of India, except in case of loss through the neglect, default, or misconduct of the bank or any of its officers or servants.

15th. That the bank shall at any time during the continuance of this agreement, when, and if, required by the Governor General in Council, but not otherwise, provide a sufficient and convenient office for the department of issue at Calcutta, and for the Head Commissioner of the said office, upon the premises of the said bank in Calcutta, at which office the said Head Commissioner shall and may conduct the whole, or any such part, of the business of issue of the said department of issue as the Governor General of India in Council may, from time to time, direct, and that the bank shall and will provide the necessary accommodation and establishment of clerks and servants for carrying out the current duties of the said office.

16th. That the whole responsibility for loss or damage that may be occasioned by, or arise in respect of, the theft or loss of any Government currency notes made under the said Act XIX. of 1861, from and after the time of the said currency notes being delivered from the said department of issue, to and at the said bank for issue, or to any servant or agent of the said bank for delivery to the said bank for issue, and the whole responsibility for any loss or damage that may be occasioned in respect of the wrongful payment, exchange, or satisfaction, through mistake or otherwise, at or by the said bank of any Government currency notes, which ought not to be paid, exchanged or satisfied, or of any forged or spurious notes purporting to be Government currency notes, or in respect of the forgery or alteration of any Government currency notes, or in respect of any error or mistake committed by the said bank or by any of its officers or agents in conducting the agency aforesaid, although the same shall have been conducted under the control and inspection of the said Head Commissioner of the issue department, shall, as between the said Secretary of State for India in Council and the said bank, rest solely and entirely with, and shall be borne by, the said bank, who shall have no claim upon the said Secretary of State in Council for compensation or indemnity for and in respect of any such loss.

17th. That as and by way of remuneration to the bank for their conducting as aforesaid the said agency for the issue of the Government paper currency and for cashing and converting such notes after issue, the bank shall be entitled to charge the said Secretary of State in Council with a commission, calculated at the rate of three-fourths per cent. per annum on the daily average amount of Government currency notes outstanding and in

circulation through the said agency of the bank at Calcutta, and which commission may be debited to the said Secretary of State in Council in the said banking account between the Government of India and the bank, the amount of such cost to be established (if required) to the satisfaction of the officer for the time being in charge of the said issue department.

18th. That in case a separate office shall be provided by the said bank for the said Head Commissioner of Issue, upon the requisition of the Governor General in Council, under the 14th clause of these presents, the bank shall also be paid by the said Secretary of State in Council the cost of providing such separate office and of any especial establishment that may be provided for, and any special expense incurred by the bank in respect of the same.

19th. That if at any time during the continuance of this agreement, the said bank shall establish a branch office at any town or place other than Calcutta, and the Governor General of India in Council shall offer to the directors of the said bank for the time being, and the said directors shall on behalf of the bank accept the business of bankers to the Government of India for the district or locality within which such branch shall be established, or the business of issuing and circulating the Government paper currency within such district or locality, then, and in every such case, the business so arranged to be taken up and performed by the said bank shall be carried on under and subject to the provisions of this agreement and on the basis of the clauses cited in the margin,* being the 3rd and 5th paragraphs of the Government memorandum of the 20th of March 1861, relating to the establishment of such branch bank, except in so far as the provision of this agreement or of the said clauses may be modified or altered by any special agreement which the said Secretary of State in Council, through the Governor General of India in Council, may, from time to time, enter into with the said bank in reference to the business so to be carried on at the particular branch bank.

20th. That this agreement and the powers and authorities herein contained, and the covenants hereby entered into, shall come into operation from and after a day to be fixed by the Governor General in Council by notification, in that behalf, which shall be published in the "Calcutta Government Gazette" within six calendar months from the date hereof, and continue for the term of five years from this date, at the expiration of which time the same shall and may, by notice in writing from the Governor General in Council to the directors of the said bank for the time being, be renewed, with or without any modifications, as may be agreed on between the Governor General in Council and the said directors.

The Mint Master at Calcutta, or the person officiating in that capacity for the time being, shall be the Head Commissioner of the department of issue.

The Calcutta circle of issue within which the Government notes will become a legal tender, shall embrace all the districts subject to the control of the Government of Bengal (except the districts noted in the margin),† and shall include also the districts of Ghazeepore, Mirzapore, and Benares, belonging to the North-Western Provinces.

The Bank of Bengal is prepared at once to establish branches at Benares, Mirzapore, Patna, and Dacca.

Any persons who prefer applying at the Mint for notes in exchange for coin or bullion may apply there instead of at the office or agency at the bank, provided they apply for not less than 2,000 rupees at a time. They will in such case receive the notes at the office of the Head Commissioner at the bank one clear working day after their applications.

The notes will be taken and paid at all the treasuries comprised in the circle of issue mentioned above.

By order of his Excellency the Governor General in Council.

(signed) *C. Hugh Lushington*,
Secy. to the Govt. of India.

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* 3. As regards the establishment of Branch Banks, the Government will in each Presidency prefer dealing with the Presidency Banks when the ground is unoccupied. But when other Banks have been established before the Presidency Bank thinks fit to establish a Branch, the Government considers that they will have a preferable claim on equal terms, and finding proper security.

5. If it be clear that the interest on the average cash balance at such place is not enough to make a fair contribution towards the expenses of the Branch Bank, the Government will give such fixed annual payment as may be agreed upon in each case, not exceeding the saving of cost to the Government at such place by the Bank taking its business.

† Balasore, Cuttack, Pooree, and Sumbulpore, in the Cuttack division.
Cossyah and Jynteah Hills, Durrung, Goalpara, Kamroop, Lukimpore, Nowgong, and Seebsaugor, in the Assam division.
Tipperah, Bullooah, and Chittagong, in the Chittagong division.
Akyab, Ramree, and Sandoway, in the Arracan division.
Hazareebaugh, Lohardugga, Maunbhoom, and Singbhoom, in the Chota Nagpore division.
Darjeeling.
Cachar.
Sylhet.
Sonthal Pergunnahs.

FINANCIAL DEPARTMENT.

(No. 51.)

EXTRACT from the Proceedings of the Government of India, in the Financial Department, dated 3 January 1862.

READ again the undermentioned papers relative to the transfer to the Bank of Bengal of the business at present performed in the General Treasury, Fort William, and the issue of Government paper currency notes under Act XIX. of 1861:—

Financial Resolution, dated 22d August 1861.
Letter to the Judges of the Supreme Court, Calcutta, No. 10709, dated 22d August 1861.
Letter to the Managers of the Service Funds, Calcutta, No. 10633, dated 22d August 1861.
Letter to the Solicitor to Government, No. 10631, dated 22d August 1861.
Letter to the Administrator General of Bengal, No. 10630, dated 22d August 1861.
Letter to the Directors of the Bank of Bengal, No. 10632, dated 22d August 1861.
Agreement with the Bank of Bengal, dated 26th September 1861.
Letter from the Judges of the Supreme Court, dated 10th September 1861.
Letter from the Directors of the Bank of Bengal, No. 1821, dated 12th September 1861.
Letter from the Solicitor to Government, No. 592, dated 26th October 1861.
Letter from the Honorary Secretary, Bengal Civil Fund, dated 1st November 1861.
Financial Resolution, No. 13779, dated 8th November 1861.

Read also letter from the Administrator General of Bengal, dated 9th December 1861.

*Resolution.*—The Governor General in Council observes that the 12 months' notice given to the Bank of Bengal, under the provisions of Act VI. of 1839, will expire on the 10th February 1862, and that it has been declared by Section I. of Act XIX. of 1861, that Section XXXI. of Act VI. of 1839, so far as it authorises the bank to issue promissory notes payable on demand, is repealed from and after the 1st day of March 1862.

It becomes necessary, therefore, to determine without delay what steps shall be taken for the introduction of the Government paper currency in Bengal.

It also has to be considered:—

1st. On what date the transfer of the business at present performed in the General Treasury shall be made to the Bank of Bengal, under the provisions of clauses 1 and 2 of the agreement with the said bank, in order that the notification provided for in clause 20 of the agreement may be issued.

2dly. When and in what manner the cash balances shall be made over to the bank, and,

3dly. What steps are necessary for carrying out the orders contained in the resolution passed in this department on the 22d August last, in respect to the conduct of the business of the sub-treasurer's office generally by the bank, and the accounts to be rendered by the bank.

With respect to the introduction of the Government paper currency, his Excellency in Council directs that a set of rules for the conduct of business, in conformity with clauses 6 to 18 of the agreement with the bank, be drawn up in consultation with the officiating mint master and the secretary and treasurer of the bank, and that a suitable establishment be provided for the purpose of assisting the officiating mint master in the management of the paper currency.

As regards the transfer of the Treasury business to the bank, his Excellency in Council observes, with reference to the first point mentioned above, that it is provided by clause 20 of the agreement with the bank that the provisions of the agreement shall come into operation from and after a day to be fixed by the Governor General in Council by notification in that behalf, which shall be published in the "Calcutta Government Gazette" within six calendar months from the date of the agreement (viz., the 26th September 1861), and his Excellency in Council resolves that from and after the 1st day of March 1862, the business referred to in paragraphs 1 to 5 of the resolution of the 22d August last, shall be conducted by the bank in the manner stated therein.

In regard to the several departments of the sub-treasurer's office, his Excellency in Council is pleased to pass the following orders:—

No. 1.—*Government Savings Bank.*

This department will be made over by the sub-treasurer to the Accountant General to the Government of India.

No. 2.—*Securities deposited by, and belonging to, Officers of Government on which the Sub-Treasurer draws and remits Interest.*

These securities will be transferred to the bank, leaving the directors of the bank to submit for consideration the question mooted in paragraphs 9 and 10 of the resolution of the 22d August last, relative to an extra remuneration to the bank on account of the said securities.

No. 3.—*The Custody in Deposit and Credit of the Assets of Deserters, deceased Officers and Soldiers (both in Cash and Articles deposited), and the preparation of the Accounts and periodical Statements connected therewith.*

This duty will be transferred to the Presidency Paymaster in the manner set forth in paragraph 11 of the resolution of the 22d August, on the understanding that the action of the Presidency Paymaster will commence from the date of transfer, the previous accounts being made over to the Accountant General to the Government of India, to whom all references regarding past transactions will be made by the Presidency Paymaster.

No. 4.—*The Counter-stamp Department.*

This department will, as provided in the resolution, be made over to the Civil Paymaster.

No. 5.—*The Deposits of the Supreme Court.*

The Judges of the Supreme Court having agreed to the transfer of these deposits to the bank, provided the security of the State is not withdrawn, and no additional expense is occasioned, the Governor General in Council directs that the directors of the bank be requested, with respect to this and all the other *quasi* Governmental accounts transferred to the bank with the Treasury business, to waive its usual commission on sale or purchase of capital stock, and only retain the quarter per cent. commission on drawing interest of securities lodged with the bank.

No. 6.—*The Deposits and Accounts of the different Service Funds.*

The subject of these deposits and accounts will be separately disposed of.

No. 7.—*Records, Accounts, and Vouchers of the General Treasury.*

These will be made over to the Accountant General to the Government of India.

No. 8.—*The acceptance of Bills not payable at sight, and payment of sight Bills without acceptance, issue of supply Bills, and of Land Revenue, Public Service and Privilege Remittance Transfer Receipts.*

These duties will be distributed between the Bank of Bengal and the Civil Paymaster, in the manner laid down in the resolution of 22d August last.

No. 9.—*The Deposits of Educational, Nizamut, and other Funds on which the Sub-Treasurer draws and remits interest, and invests accumulations of assets in Government Securities, under orders of the respective Authorities.*

The orders passed in regard to deposits of the Supreme Court (No. 5), apply to the deposits of Educational, Nizamut, and other funds.

No. 10.—*The Deposits of the Administrator General and Official Trustee, and the receipt of his remittances to England.*

These deposits, &c., his Excellency in Council observes, are some of those *quasi* Governmental accounts to which the orders relative to the deposits of the Supreme Court (No. 5), apply.

No. 11.—*The custody of State Jewels and of Copper Coins remitted by the Secretary of State.*

The custody of state jewels will rest with the Mint-master, and that of copper coins remitted by the Secretary of State with the bank. The copper coins are at present unsorted, in their original packages, arranged cargo by cargo. The package will be taken over by the bank, but may remain at the Treasury vault for the present, unless the directors of the bank desire to remove them and examine their contents. Practically, they will remain where they are, and the bank will credit the Government of India with the invoice value of the copper coins, but if on opening any package to send copper coins to any district Treasuries any mistake be discovered in the invoice, as the package will never have been, though nominally, out of the custody of Government, his Excellency in Council will be prepared to sanction the bank's being credited with any proved deficiency.

No. 12.— *The Deposits of the General Post Office.*

The bank having declined to cash the halves of bank notes which constitute these deposits, in order that the value may be held in deposit, the halves of the bank notes in question will be transferred to the bank for the purpose of being disposed of in any way the directors of the bank may determine.

No. 13.— *The Remittance and Dispatch of Bullion.*

This business will be performed by the bank under orders of the Civil Paymaster, the cost being charged against the Government in contingent bills to be passed by the Civil Paymaster.

No. 14.— *Custody and Credit of Remittances from the District Treasuries.*

The orders passed above in regard to Department No. 13, will apply to this department also.

No. 15.— *The Account and Correspondence Department of the General Treasury,—*

Will be transferred to the Accountant General of the Government of India.

No. 16.— *Bonds of Indemnity, Emigration Bonds, and Guarantees, Title Deeds of Government Properties, Fort Marlborough Bonds, Servants' Deposits, and Emigrants' Deposits, and Soldiers' Treasury Notes,—*

Will also be transferred to the Accountant General.

No. 17.— *The Cash Balance of the General Treasury,—*

Will be made over to the bank. But so much of the actual specie as may require to be lodged with the issue department of the Mint in exchange for currency notes will remain for the present at the Treasury, the rest of the cash balance being removed to the bank. The Treasury vault will then be transferred to the custody of the Mint-master.

With respect to the third point, nothing more appears to be necessary than to direct the Accountant General in communication with the bank to carry out the views expressed in the resolution of the 22d August.

Adverting to paragraph 43 of the resolution of the 22d August, his Excellency in Council observes, that two questions were referred to the Advocate General for opinion, viz.—

1st. How far the literal construction of the contracts with railway companies may be affected by the abolition of the General Treasury.

2d. The necessity for some provision for the substitution of the officers of the Bank of Bengal in the place of the sub-treasurer as special assessors and collectors of income tax duty upon all sums liable thereto which may be paid from the bank.

As regards the first question, his Excellency in Council agrees with the Advocate General in thinking that the operation of the railway company will not be at all affected by the substitution of the Bank of Bengal for the present General Treasury of Calcutta. His Excellency in Council thinks it will be sufficient for the purpose of meeting the provisions of the contracts according to their true legal construction, that an order be passed and published to the effect that the Treasury of the Secretary of State for India in Council, and of Her Majesty's Government shall, from and after the 1st of March 1862, be established at the Bank of Bengal, and that all payments to be made by or to the Secretary of State in Council, or the Government of India, or the Government of Bengal, at the Treasury of the East India Company, or of the Secretary of State in Council, or of the Government at Fort William, shall and may be henceforth made at the said Bank of Bengal.

As the payments of interest on Government securities are to be extended to the Bank of Bengal, and as such interest is expressed to be payable at the General Treasury at Fort William, and as it may be questioned whether that expression does not imply a separate Government establishment called the General Treasury, and whether it would be legally satisfied by the appointment of an agency at a bank for the purposes of a treasury, his Excellency in Council thinks it will be preferable to provide by a Legislative Act for such payments being made at the Bank of Bengal as long as its agreement with the Government should remain in force.

With respect to the second question, the Governor General in Council observes that under the Income Tax Act, the officers of the Bank of Bengal, by whom payments are made on account of the Government under the new arrangement, can scarcely be deemed "Authorities in charge of a Public Treasury" within the meaning of Section XXVI., although "authorised to pay the interest on any security of the Government of India, &c.," and that consequently they will not become *ex officio* assessors under that section, nor can they be appointed by the local Government, special assessors under Section XXXI. of the Act, as that section only applies where no provision has been made for the appointment of assessor by the Act itself. But his Excellency in Council thinks that, in the new Act

for regulating the bank, a clause may properly be inserted, providing that the secretary and treasurer of the Bank of Bengal should have vested in him the same authority and power as an assessor, in regard to any interest on any security of the Government of India, or any other sums or profits specified in section XXVI. of the Act, and which the Bank of Bengal may be authorised to pay on account of the Government, as by sections XXVI. and XXXII. are vested in the sub-treasurer of the Government.

Measures have been taken already in this department, with a view to the order as to general payments, and the provisions regarding payments of interest on Government securities, and appointment of the secretary and treasurer of the bank, being embodied in the new Act above referred to, and his Excellency in Council desires, that the necessity of passing the new Act may be taken into early consideration at a meeting of the Council for the purpose of making laws and regulations.

In publishing the order regarding general payments, and the notification above alluded to, his Excellency in Council desires that the agreement with the bank be published, in order that the public may be apprised of the terms on which the business of the General Treasury and the Government paper currency shall, from the date fixed, be conducted by the Bank of Bengal.

It will also be intimated that the Head Commissioner of the Department of Issue shall be the Master of the Mint at Calcutta or the person officiating in that capacity for the time being, and that the Calcutta Circle of Issue, within which the notes will become a legal tender, shall for the present embrace all the districts subject to the control of the Government of Bengal (except the districts noted in the margin)* and the districts of Ghazeepore, Mirzapore, and Benares, belonging to the North-Western Provinces, that the Bank of Bengal is prepared at once to establish branches at Benares, Mirzapore, Patna, and Dacca; that any persons who might prefer applying at the Mint for notes in exchange for coin or bullion might apply there instead of at the office or agency at the bank, provided they apply for not less than 2,000 rupees at a time, and that in doing so that they will receive notes duly issued by the Head Commissioner, one day after their applications, but that the actual place of issue of notes so applied for will be the office of the Head Commissioner at the bank, and finally, that the notes will be taken and paid at all the treasuries comprised in the circle of issue mentioned above.

With regard to the arrangements to be entered into with the banks at Madras and Bombay, the Governor General in Council directs that copies of the resolution of the 22d of August last, of the agreement with the Bank of Bengal and of this resolution, be forwarded to the Governments of those Presidencies, with a request that this Government may be furnished as soon as possible with the detailed arrangements which those Governments propose with their respective banks, together with a statement of the extent of the respective Presidency circles, date of commencement of the transfer of their Treasury business and introduction of the paper currency, and other particulars, if any, as Charter Act Amendments, which those Governments would recommend, with a view to carry out the arrangements in general accordance with those now sanctioned for Calcutta.

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ORDERED, that a copy of the foregoing Resolution be forwarded to the undermentioned department, Governments, and officers, with a request that the orders contained therein respecting them be attended to:—

Military Department.
Governments of Bengal, North-Western Provinces, Madras,† and Bombay.†
Mint Committee, Calcutta.
Officiating Master, Calcutta Mint.
Accountant General to the Government of India.
Deputy Auditor and Accountant General, Bengal.
Sub-Treasurer, Fort William.
Civil Paymaster, ditto.
Directors of the Bank of Bengal.
Clerk of the Legislative Council.

(A true Extract.)

(signed) *C. Hugh Lushington,*
Secretary to the Government of India.

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* Balasore, Cuttack, Pooree, and Sumbulpore, in the Cuttack division.
Cossyah and Jynteah Hills, Durrung, Gowalpara, Kamroop, Lukhimpore, Nowgong and Seebsaugor, in the Assam division.
Tipperah, Bullooah, and Chittagong, in the Chittagong division.
Akyab, Ramree, and Sandoway, in the Arracan division.
Hazareebaugh, Lohardugga, Maunbhoom, and Singbhoom, in the Chota Nagpore division.
Darjeeling.
Cachar.
Sylhet.
Sonthal Pergunnahs.

† With copy of Resolution, dated 22 August 1861, and of agreement with the Bank of Bengal.

To *C. H. Lushington*, Esq., Secretary to the Government of India, Financial Department.

Sir, Bank of Bengal, Calcutta, 13 January 1862.

WITH reference to your Despatch No. 1491, bearing date 11th February 1861, and intimating that from and after the expiration of 12 calendar months from the receipt of notice, the Bank of Bengal and the powers and authorities would, in conformity with Act VI. of 1839, be modified, "by withdrawing the power to issue promissory notes conferred on the bank by Act VI. of 1839, which power will thenceforth be determined:"

2. Such notice was received by the bank on the day following, viz. 12th February 1861.

3. Adverting further to your Despatch No. 51, with extract from the proceedings of Government, dated 3d instant, containing in the narrative of the resolution passed by his Excellency the Governor General in Council, that the 12 months' notice given to the bank expires on the 10th February 1862, and that it has been declared by section I. of Act XIX. of 1861, that section XXXI. of Act VI. of 1839, so far as it authorises the bank to issue promissory notes payable on demand, is repealed from and after the 1st day of March 1862; I am instructed to point out that by the official notice of 11th February, the bank's right of issue will apparently cease on 12th February, whereas by Act XIX. of 1861, it will not expire until 1st March following. Lest any question should arise regarding the power of the bank to continue their issues in the period intervening between those two dates, I have been instructed to request the favour of your taking such steps as you may consider necessary for authoritatively disposing of the point now raised.

4. With regard to securities deposited with sub-treasurer by and belonging to officers of Government, under section marked No. 2 of extract proceedings of Government of date the 3d instant, I have to acquaint you that the directors have resolved to receive the same for safe custody, and to forego all charges connected with the management of the securities usually exacted in the agency department.

5. Relative to sections marked 5, 9, and 10, I have also to inform you that the directors have agreed to waive the usual commission on sale and purchase of capital stock, and to retain the ¼ per cent. commission on drawing interest of the various securities proposed to be lodged with the bank, and enumerated in the above sections.

I have, &c.
(signed) *Geo. Dixon*,
Secretary and Treasurer.

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(No. 333.)

From the Secretary to the Government of India, Financial Department, to the Secretary and Treasurer of the Bank of Bengal.

Sir, Council Chamber, 20 January 1862.

I AM directed to acknowledge the receipt of your letter dated the 13th instant, and to inform you in reply that his Excellency the Governor General in Council is pleased to authorise the Bank of Bengal to continue to exercise the power to issue promissory notes conferred on the bank by Act VI. of 1839, until the 28th of February 1862 (inclusive), after which date such power ceases under section I., Act XIX. of 1861.

2. The consent of the directors to receive the securities referred to in the 4th paragraph of your letter, and to forego all charges connected with the management of the securities, and their resolution regarding the deposits alluded to in the 5th paragraph of your letter, will be duly communicated to the authorities concerned.

I have, &c.
(signed) *C. Hugh Lushington*,
Secretary to the Government of India.

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(No. 13.)

COPY of the foregoing correspondence published in the "Calcutta Gazette," in continuation of the notification, No. 1, of the 3d instant.

By order of his Excellency the Governor General in Council.

(signed) *C. Hugh Lushington*,
Secretary to the Government of India.

Fort William,
Financial Department, 20 January 1862.

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(Financial.—No. 55.)

To his Excellency the Right Honourable the Governor General of India in Council.

My Lord, India Office, London, 8 April 1862.

1. I HAVE received and considered in Council your financial letter, dated the 10th February 1862, No. 19, and enclosures, together with a copy of your agreement with the Bank of Bengal, in regard to the transfer to that bank of the balance and business of the Calcutta Treasury, and to the issue and payment of the Government notes, the agreement taking effect from the 1st March 1862, and to continue for five years.

2. With regard to the treasury business, the arrangement appears to contemplate the maintenance generally by your Government of a minimum balance of 700,000 *l.*; that if it falls below 500,000 *l.*, a sum is to be paid to the bank equal to what would be the interest on the amount by which it may be short of that sum; that no interest is to be paid on any part of the balances held by the bank; that if the balances exceed 700,000 *l.*, the bank may set aside in cash, in a separate place of deposit, any surplus, or invest it in the name of the Accountant General or other officer of the Government, in Government securities or guaranteed railway debentures, and receive the dividends, no security being given by the bank for either the 700,000 *l.* or any larger sum held in cash; that any costs of packing and shipping specie, are to be paid by your Government; and that the sum of 43,606 rupees shall also be paid in full of the costs and expenses attendant on the maintenance by the bank of the establishment of clerks and servants necessary for the carrying on of the Government banking account and business.

3. Contemporaneously with this arrangement for the management of the business of your general treasury, the agreement provides for the issue and payment of currency notes through the agency of the bank. All expenses of the manufacture and transmission of notes are to be borne by Government. In the event of a separate office being required at the bank for the Head Commissioner of Issue, the Government is to pay to the bank the cost of providing such separate office, and of any special establishment or expense incurred in reference thereto.

4. The bank is also to be paid, as remuneration for conducting the issue of Government notes, and for the risk of theft, or loss attendant thereon, a commission at the rate of three-fourths per cent. per annum on the daily average amount of notes outstanding and in circulation through its agency.

5. It does not clearly appear whether this per-centage is to be paid on the amount of notes taken by the bank in exchange for bullion or coin, or on the average amount of notes issued from the bank to the public, exclusive of those in its banking reserve.

6. In this country, all notes out of the Issue Department are considered in circulation, and the same rule must apply to all notes in India taken out in exchange for bullion or coin.

7. The words of the agreement seem, however, rather to point to the per-centage being payable on the amount of such of the notes issued to the bank as are in the hands of the public, exclusive of those retained in the bank. Previous to the year 1844, the returns made by the Bank of England showed only the amount of Bank of England notes in the hands of the public; and, as the Bank of England was the sole issuer of notes, there was no difficulty in ascertaining the amount with the public. As, however, the Bank of Bengal may not be the sole issuer of Government notes, I do not see how the amount of the notes which can be said to be kept in circulation through their agency is to be ascertained. Even if the notes once put into circulation through the bank were ascertained, the means would not be afforded of arriving at any sound conclusion. The Bank of Bengal might claim to maintain in circulation notes which had not been issued through them, and, in like manner, other banks might claim to be the means of retaining in circulation notes originally given to the public by the Bank of Bengal.

8. If

8. If it be intended to allow the bank to charge the per-centage on all notes taken by them from the Head Currency Commissioner, the practical effect of the whole operation contemplated appears to be, to transfer to the bank your cash balance, amounting to above 3,000,000 *l.*,* which would be received back by the Head Currency Commissioner for notes. The Government would have the same amount of coin as before, and the bank would have 3,000,000 of notes placed at its disposal, which would be available for the use of the bank and their customers, the bank receiving a commission of 3-4ths per cent. on the whole amount. The bank would thus receive 43,606 rupees per annum for the management of the treasury business, together with whatever interest it might be enabled to make on the balance of public money in its hands, and 3-4ths per cent. on the notes taken from the Commissioners for the cash balance of 3,00,00,000 rupees, viz., 2,25,000 rupees.

9. Looking only to the remuneration to the bank for the transaction of the banking business of the Government, I do not understand why any sum should be paid on account of the expense of establishment. When no interest is paid by a bank on the money in its hands, it is never the practice of bankers to make any charge for the transaction of the business of their customers. Your average cash balance in the hands of the bank, will probably be not less than from one to two crores of rupees, the use of which to the extent of 70,00,000 rupees, and the interest derived from the investment of the remainder in Government securities, would have amply repaid the bank for the management of the Government account.

10. The grant to the bank of the power to use 700,000 *l.* of your balance was stated in the resolution of your Government in the financial department, of the 22d August 1861, forwarded with your letter, "as giving the bank an equivalent for the withdrawal of their circulation," but beyond this, you have also conceded to the bank 3-4ths per cent. on the note circulation.

11. Taking the whole arrangement together, the payment to the bank appears to be excessive, and that the terms are considered by the public to be most favourable to the bank is proved by the great advance in the price of bank shares, by which the arrangement was attended.

Per Calcutta Price Current:—

| | | | | |
|---|---|---|---|---|
| 21 August 1861 | - | - | *Rs.* 6,225 to | *Rs.* 6,250 |
| 21 Sept. | „ | - | - 6,325 to | 6,350 |
| 7 Oct. | „ | - | - 6,400 | |
| 21 Nov. | „ | - | - 6,550 | |
| 7 Dec. | „ | - | - 6,550 to | 6,57[illegible] |
| 21 Dec. | „ | - | - 6,725 | |
| Agreement published 4th January 1862. | | | | |
| 8 January 1862 | - | - | *Rs.* 6,800 | |
| 7 February „ | - | - | 7,800 to | *Rs.* 7,850 |

12. I proceed now to consider the arrangement which you have made as regards the issue of notes, and in the first place I must recall to your recollection the instructions which have been conveyed to you.

13. In my financial Despatch, dated the 2d May last, No. 75, I pointed out the importance of the bullion or coin received for notes being held by the Head Currency Commissioner, and I observed that, if it were proposed that bullion or coin should be taken, not to the Commissioner of Issue, but to the bank, such an arrangement would be inconsistent with clause 9 of the Currency Act, which provided that the Head Commissioner, the Commissioners, and Deputy Commissioners or agents should, "on the demand of any person," issue notes from such office or agency of issue as should be established in their respective circles. I further observed, that the issue of notes should "be kept quite distinct from any banking establishment, and the supply of notes to any banks must be on precisely the same terms as to any other person;" and the Despatch went on to say, "I do not see how you can properly dispense with the direct action of a Government office in this respect. The assaying of the bullion must be done by the Mint, and I do not understand how the verification of the notes can be entrusted to any but a Government officer. This is obviously indispensable, if notes are issued to other persons than the banks, and are presentable by them to the Commissioner of Issue." Corresponding instructions were conveyed to you in paragraph 40 of the same Despatch, as to the issue of notes by officers of the Government in places beyond Calcutta.

14. In

* On the 7th November 1861, the latest advice received, the balance in the Calcutta Treasury amounted to 3,260,268 *l.*

14. In your financial letter of the 16th July 1861, No. 125, you replied to the Despatch above quoted, and with reference to my observation that the head office of a circle should not be an agency with a bank, you stated that it was proposed to use words in section 6 of the Bill, "which would show that agencies in any circle are to be additional to the Deputy Commissionership," and that words would also be inserted in sections 8 and 9, "thus removing the presumption that the office (if there were but one) might be an agency. These amendments are embodied in the Act."

15. The arrangement contemplated in the agreement with the bank, appears to be directly opposed to the tenor of my instructions and of your reply. In the agreement it is stipulated that, if required by you, the bank shall provide an office for the Head Commissioner of Issue, where he "shall and may conduct the whole or any such part of the business of issue" as your Government may direct; and provision is also made for the bank, if required by the Head Commissioner, keeping a separate strong room or box, under the separate control of the Issue Department, for the reception and safe keeping of all currency notes, coin, and bullion, belonging to the Issue Department. The last clause but one of your notification states that "any persons who prefer applying at the Mint for notes in exchange for coin may apply there instead of at the office or agency at the bank, provided they apply for not less than 2,000 rupees at a time. They will, in such case, receive the notes at the office of the Head Commissioner at the bank one clear working day "after their applications;" and this provision is confirmed by your resolution of the 3d January last. Therefore, although persons desirous to avoid going to the bank may make their first application at the Mint, they can only obtain their notes at the bank.

16. It is not necessary from these provisions that the office of the Head Commissioner should be at the bank, or that his reserve should be kept there, though this is evidently what is contemplated. Your notification, however, makes the bank the only place where, practically, notes are to be obtained wherever they are demanded; and thus a complete monopoly appears to be given to the Bank of Bengal, as the only place where notes are to be obtained. You are not, indeed, precluded by the agreement from issuing through other banks, and in clause 19 some such course is indicated as regards places in the Mofussil. In Calcutta, however, it certainly seems to me that no other bank can be put on the same footing as the Bank of Bengal, as the terms conceded by your agreement are manifestly intended to apply only to one office of issue. This is altogether contrary to the spirit of my instructions, which contemplated all bodies and persons being placed on an equal footing as to procuring notes.

17. In order to attain this, it would be necessary to extend to other banks at Calcutta the same terms as you have given to the Bank of Bengal.

18. I do not intend to say that such a course is desirable. It is, indeed, contrary to all the instructions I have ever given, that either one or more banks should be made the medium of the issue of the Government notes.

19. My desire was that all notes should be issued by the Government itself; that all persons should be enabled to obtain them on the deposit of bullion or coin; and that no payment should be made to the persons taking out the notes.

20. In order to attain this object, it is necessary that there should be a distinct office for the Head Commissioner of Issue, apart from the Bank of Bengal.

21. Under the terms of your agreement, the whole amount of Government balances beyond 700,000 *l.* may be invested in Government securities. I must call your attention to the change which is thus effected in the expectation held out as to the security afforded by the balance for the convertibility of notes. In my financial Despatch, dated the 26th March 1860, No. 47, I directed that, "beyond the reserves of coin and bullion in the hands of the Currency Commissioners, it should be provided that the cash balances in the Indian Treasuries should be available to meet any unforeseen demand for the payment of notes;" and the Select Committee on the Currency Bill, in their report of the 16th February 1861, stated, in reference thereto, that to insure the convertibility of the notes, under all circumstances, the general credit of the Government and the cash balances would, by words which they had introduced into the Bill, be distinctly responsible.

22. If

22. If the whole of the Treasury balance beyond 700,000 *l.* is, under the arrangement which you have made, invested in Government securities, there will no longer exist a cash balance available to meet a sudden demand for notes.

23. As I consider that the bullion and coin to be retained by the Commissioners of Issue will, with proper arrangements for the issue, afford reasonable security for the convertibility of the notes, I will not object on this ground to the transfer of the Treasury balances to the bank. But it is obvious that, with this departure from the expectations held out in my despatch, and in the report of the Select Committee, the greatest care should be taken that the security for the convertibility of the notes and the credit of Government is scrupulously guarded; that adequate provision should be made to prevent the possibility of the issue of notes being rendered subservient to mere banking operations, and that an ample reserve of coin should always be maintained in the coffers of the bank. I desire that you will take measures to ensure a provision being made by the bank for this latter object.

24. The 19th clause of the agreement makes provision for the issue of notes in the Mofussil. It provides that the Government of India, if they should consider it desirable, and if the proposition made by them should be accepted by the Directors of the Bank of Bengal, may make branch banks the bankers of the Government in districts in which those banks may be established, and entrust to such branches the business of issuing and circulating the Government paper currency on the basis of the agreement entered into with the Bank of Bengal. "The Government will, in each Presidency, prefer dealing with the Presidency Banks when the ground is unoccupied. But when other banks have been established before the Presidency Bank thinks fit to establish a branch, the Government considers that they will have a preferable claim on equal terms, and finding proper security. If it be clear that the interest on the average cash balance at such place is not enough to make a fair contribution towards the expenses of the branch bank, the Government will give such fixed annual payment as may be agreed upon in each case, not exceeding the saving of cost to the Government at such place by the bank taking its business."

25. It is more easy to point out in what respects the course which has been pursued is at variance with the instructions and views which have been communicated to you, than to say, after what has been done, and in the uncertainty how far you may have proceeded in regard to banks out of Calcutta, what measures should now be taken, in order to prevent further departure from the principles which, in my opinion, ought to be adhered to. This projected arrangement seems to me to be very objectionable.

26. I cannot but feel that there might be great inconvenience, and perhaps loss, caused to individuals, if I were to disallow the agreement which you have made; and as it is only to last for five years, I will not disturb the arrangement entered into with the bank, so far as it has gone. I must, however, observe, that so important a step, and one so contrary to the letter and spirit of my instructions, and entailing such unnecessary payments and loss to the State, ought not to have been made without reference to me for further instructions. It is obvious that there was ample time for reference home. The agreement appears to have been made in the month of September last, but it was not to come into operation till the 1st of March. If, therefore, the agreement had been made in September, subject to my approval, it might have been forwarded to me in October, and my answer would have reached you long enough before the 1st of March to allow of its being modified before it came into operation.

27. I presume that the arrangements contemplated with the Banks of Madras and Bombay are of the same character as those made with the Bank of Calcutta, but I do not understand how far they are completed.

28. If the agreements are actually made, I will not disturb them, but I desire that no further steps may be taken towards carrying out any such arrangement, if it is not already made.

29. As regards the arrangement in Bengal, I desire that no further issue should be made through any other bank, or through any banks in the country.

30. The Head Commissioner of Issue should have a distinct office of his own, where notes should be issued to all persons in exchange for bullion or coin, in accordance with the instructions already conveyed to you. As that office is to be filled by the Master of the Mint, or the person officiating in that capacity for the time being, who has already an office at the mint, and a place of custody there for notes, bullion, and coin, and as the assay of bullion must necessarily be made by the mint officers, the mint appears to be the most suitable situation for the office of the Head Commissioner.

31. The objections to allowing the office of the Head Commissioner of Issue to be at the Bank of Bengal, apply with greater force to any arrangement which would make a branch bank the office of issue; and I must request that in every district the issue department may be under the immediate charge of one of your own officers, and that his office may be entirely separated from any branch bank.

32. I see no sufficient reason for making over the balances and business of your district treasuries to branches of the Bank of Bengal. To the transfer of that business to branches of any banks, of whose transactions the Government has no cognizance, I could not consent. Without absolutely interdicting the transfer of the balances and business of local treasuries to any branches of the Bank of Bengal, I desire that no arrangement of that nature be sanctioned without previous reference to me.

33. I must leave it to you to determine on all the details of the measures necessary for this purpose, but I consider the issue of Government notes by authorised officers of the Government, apart from and independent of the agency of the banks, to be indispensable for the proper conduct and regulation of the paper currency of India.

34. As regards Madras and Bombay, Head Commissioners issuing notes, as has been directed for Calcutta, must be established, with Deputy Commissioners in such places in those Presidencies as you may deem best: and this should be done, whatever arrangements with those banks may have been made.

35. There is one further point to which I wish to call your attention. The Currency Act provides that the whole amount of the bullion and coin received for notes "shall be retained and secured as a reserve to pay such notes, with the exception of such an amount, not exceeding four crores of rupees" (for the whole of India), "as the Governor General in Council, with the consent of the Secretary of State for India, may from time to time consider as a safe limit, below which the paper circulation of India cannot fall, and the amount so fixed shall be published in the Gazettes of Calcutta, Madras, and Bombay." You have not yet informed me of the sum which you propose at first to fix as the limit for the issue of notes, without the retention of a reserve of bullion or coin; but the transfer of your Calcutta cash balance to the Bank of Bengal, and the power of using it given to that bank, render it imperative that the limit should be a comparatively low one, and I am desirous of being informed as soon as possible of the sum which you propose to fix.

I have, &c.
(signed) *C. Wood.*

# EAST INDIA (PAPER MONEY).

COPY of all the DESPATCHES to and from the Government of *India*, relative to the Issue of PAPER MONEY (in continuation of the last Return).

(*Mr. Henry Baillie.*)

*Ordered, by* The House of Commons, *to be Printed,*
6 *May* 1862.

[*Price* 7 *d.*]

215.

*Under* 8 *oz.*

# EAST INDIA (PAPER CURRENCY, &c.)

RETURN to an Address of the Honourable The House of Commons, dated 11 February 1864;—*for*,

"COPY of the PAPERS and CORRESPONDENCE relating to the Issue of a GOVERNMENT PAPER CURRENCY in *India*, as proposed by Mr. *Wilson*, and carried out by Mr. *Laing*, and the Transfer of the Business of the Government Treasuries to the Banks of *Bengal*, *Madras*, and *Bombay* (in continuation of Parliamentary Paper, No. 215, of Session 1862):"

"And, RETURN of the Amount of GOVERNMENT PAPER Issued, showing the Total Amount of the NOTES, and the SECURITIES to meet the same; and showing the CAPITAL respectively of the Banks of *Bengal*, *Madras*, and *Bombay*, and the Amount of STOCK held by the GOVERNMENT as Shareholders in each Bank."

India Office,
4 March 1864.

T. L. SECCOMBE,
Secretary, Financial Department.

(*Mr. Henry Seymour.*)

*Ordered, by* The House of Commons, *to be Printed*,
7 *March* 1864.

*108726

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Return showing the amount of Government Paper issued in India, and the securities held to meet the same — 123

Return showing the capital of the Banks of Bengal, Madras, and Bombay, and the amount of Stock held by the Government as Shareholders in each Bank — 123

COPY of the PAPERS and CORRESPONDENCE relating to the Issue of a GOVERNMENT PAPER CURRENCY in *India*, as proposed by Mr. *Wilson*, and carried out by Mr. *Laing*, and the Transfer of the Business of the Government Treasuries to the Banks of *Bengal*, *Madras*, and *Bombay* (in continuation of Parliamentary Paper, No. 215, of Session 1862).

Financial Department.—No. 51 of 1862.

To the Right Honourable Sir *Charles Wood*, Bart., M.P., Secretary of State for India.

Sir,

IN continuation of our Despatch in this department, No. 19, dated the 10th ultimo, and its enclosures, we have now the honour to forward for your information copies of the agreements with the Banks at Madras and Bombay, and of Acts IV., V., and VI., as specified in the subjoined list.

2. With regard to the Madras and Bombay Charter Acts, we beg to state, that the draft of the Madras Charter Act has been approved generally by this Government, and returned to the Madras Government with certain alterations for the purpose of being passed into law.

3. The Bombay Bank Charter is daily expected, and copies of both the Madras and Bombay Bank Charters will be forwarded to you in due course when passed into law.

We have, &c.

*Elgin & Kincardine.*
*H. B. E. Frere.*
*C. Beadon.*
*S. Laing.*

Fort William, 25 March 1862.

Enclosures to No. 51 of 1862.

NOTIFICATION.

NOTICE is hereby given, that the General Treasury of Her Majesty's Government of Bombay shall, from and after the 1st day of March 1862, be established at the Bank of Bombay. All payments to be made by and to Her Majesty's Government of Bombay at the said General Treasury at Bombay, shall and may, from and after the above-mentioned date, be made at the said Bank of Bombay.

2. The issue of the Government promissory notes provided for by Act XIX. of 1861, shall take effect from and after the aforesaid date.

3. The terms on which the business of the General Treasury and the Government paper currency shall be conducted by the Bank of Bombay are contained in the following:—

AGREEMENT with the BANK of BOMBAY.

ARTICLES of AGREEMENT made and entered into this 28th day of February, in the year of our Lord 1862, between the Secretary of State in Council for India of the one part, and the Bank of Bombay of the other part.

Whereas due notice, in accordance with the provisions of Act III. of 1840 of the Legislative Council of India, "for the Incorporation of the Bank of Bombay," has been given on the 21st day of February 1861, by the Governor-General of India in Council to the Directors for the time being of the Bank of Bombay, as incorporated and constituted under the said Act III. of 1840, that the said Bank was to be modified by the power of the said Bank to issue promissory notes payable on demand, ceasing from and after the 1st day of March 1862. And whereas by Act XIX. of 1861 of the said Legislative

Council, being "An Act to provide for a Government Paper Currency," and whereby provision has been made for the issue by the Government of India of promissory notes payable to bearer on demand, it was (amongst other things) enacted, that section 31 of the said Act III. of 1840, so far as the same section authorised the said Bank of Bombay to issue promissory notes payable on demand, should be repealed from and after the said 1st day of March 1862, and that after the passing of the said Act now in recital, no body corporate, person, or persons whatsoever in British India (except the Banks of Bengal, Madras, and Bombay, up to the said 1st day of March 1862, and except as thereinafter provided) should draw, accept, make, or issue any bill of exchange or promissory note or engagement for the payment of money payable to bearer on demand, or borrow, owe, or take up any sum or sums of money on the bills or notes payable to bearer on demand of any such body corporate, or of any such person or persons (subject, nevertheless, to the proviso next thereinafter contained). And whereas by Act No. XXIV. of 1861 of the Legislative Council of India, "An Act to enable the Banks of Bengal, Madras, and Bombay to enter into arrangements with the Government for managing the issue, payment, and exchange of Government currency notes, and certain business hitherto transacted by the Government Treasuries," it was (amongst other things) enacted, that it should be lawful for any of the said Banks, by agreements under their corporate seal, to enter into agreements with the Secretary of State for India in Council, through the Governor-General of India in Council, the Governor of Madras in Council, and the Governor of Bombay in Council, respectively, for superintending, managing, and becoming agents for the issue, payment, and exchange of promissory notes of the Government of India, payable on demand under the said Act XIX. of 1861, or any Act which might thereafter be passed in relation to the paper currency of the Government of India for the carrying on the business of an agency of issue under the said Act XIX. of 1861, in any circle of issue in which any of the said Banks should have established a branch bank under Act VI. of 1839 (relating to the Bank of Bengal), or any other Act, and for transacting any part of the business of, or hitherto generally transacted by or at, the General Treasury of the Governments at the several Presidencies of Fort William, Madras, and Bombay respectively. And whereas negotiations have been pending, and arrangements in course of discussion between the Governor in Council of Bombay (acting on behalf of the said Secretary of State) and the Directors of the Bank of Bombay, for the purpose of carrying into effect and exercising the objects and powers of the said Act XIX. of 1861 and Act XXIV. of 1861, and such negotiations and discussions have resulted in the agreement or arrangements, the terms and conditions of which are hereinafter intended to be expressed. Now, these presents witness, that for the purpose of carrying into effect the objects of the said Act XIX. of 1861 and Act XXIV. of 1861, and in exercise and execution of all and every the powers in the same Acts or either of them contained, and of all and every other the powers in any wise enabling them, the said parties to these presents in this behalf, and in consideration of the payments and covenants hereinafter respectively mentioned and contained, and by and on the part of the said parties to these presents respectively to be paid and performed, each of them the said parties to these presents doth hereby for himself and themselves respectively, and his and their respective successors, covenant with the others and other of them, and their and his respective successors, in manner following (that is to say):—

1st. From and after the day to be appointed by the notification mentioned in the 21st paragraph of these presents, the business of receiving and paying money on behalf of the Government of Bombay, heretofore transacted at the General Treasury at Bombay, shall be carried on and transacted by the Bank of Bombay, subject to the provisions of this agreement, and to such orders and directions (not being inconsistent with the provisions of this agreement), with regard to the receipts and payments, as may from time to time be given to the said Bank by the Governor in Council or any of the officers of the Government of Bombay authorised in that behalf, and for the purpose aforesaid, such account or accounts shall be opened in their books by the said Bank with the Government of Bombay, as the said Government of Bombay shall from time to time direct.

2d. The cash balance which shall, on the day appointed by the notification aforesaid, be in the General Treasury, shall on that day be transferred to and deposited with the Bank of Bombay, who shall thereafter receive for the said Government of Bombay all moneys and balances which, but for these presents, would have been received by the said General Treasury; and the Bank shall transact, at their principal office in Bombay, all such business for the Government of Bombay, regarding the receipt, collection, payment, and remittance of money and securities and other matters as is usually transacted by the bankers for their customers.

3d. During the continuance of this agreement the Government of Bombay shall carry on and transact, by and through the agency of the said Bank of Bombay, and not by or through their own officers, or the agency of any other bank or persons or person acting as such agents or agent, all such business as it is herein provided and agreed that the Bank of Bombay shall carry on and transact on behalf of the said Government.

4th. That, from and after the day appointed by the notification aforesaid, the said Secretary of State in Council shall pay to the Bank the actual costs and expenses of packing and shipping specie remitted under the preceding clause, and for which costs and expenses contingent bills shall, from time to time, be delivered to the Civil Paymaster, Bombay, for the time

time being, and be passed by him on approval; and the said Secretary of State in Council shall, from and after the last-mentioned day, further pay, or cause to be paid, to the said Bank, the yearly sum of 12,240 rupees in full of all costs and expenses of the said Bank of Bombay in respect of the carrying on and transacting by them of the said Government banking account and business, and the Bank shall not charge any interest or commission on the said account except under such arrangement as the next following clause mentioned.

5th. That, so long as the average cash balance for any month in the hands of the said Bank on the said Government banking account shall not exceed 40 lacs of rupees, the said Bank shall be at liberty to use and employ such balance in the ordinary business of the Bank, subject to the provisions of their present Act, or any further Act relating to the said Bank, and to appropriate to their own use the profits arising from such employment, without being charged by the Government with any interest in account: And that, when and so often as the monthly average of such cash balance shall exceed 40 lacs of rupees, the directors of the said Bank for the time being shall forthwith either set aside such excess or surplus in cash, to be kept in reserve in a separate cash-room or place of deposit on account of the said Government of Bombay, or shall at their option invest such excess or surplus on account of the Government of Bombay, either in the purchase of Government securities or railway debentures guaranteed by Government, in the names of the Accountant-General, or of such other officer or officers as the Government of Bombay shall from time to time direct, or in the discount of Government acceptances or other claims against the Government, so that such surplus shall be withdrawn from employment as part of the general funds of the Bank, and so on from time to time as often as an uninvested surplus cash balance above 40 lacs of rupees shall, on taking the monthly average, appear to be in the hands of the Bank. And the said Bank shall at all times be answerable and accountable to the Government of Bombay for the surplus cash balance for the time being so set apart or invested, but shall be entitled to draw and apply the interest or dividends arising from such investments, from time to time, to their own use. But when and so often as the cash balance in the hands of the said Bank shall, on the taking of the monthly average, appear to have been less than 30 lacs of rupees, then, in addition to the profit which the said Bank may acquire by the employment of such balance, free from interest as aforesaid, an additional allowance or remuneration by way of compensation shall be made to the Bank by the payment by Government of interest on the difference between the amount of such monthly average and the sum of 30 lacs, the interest being calculated at the average rate of interest paid by the public on fixed loans during the month.

6th. That the books of account and minutes of proceedings of the Bank, relating as well to the said Government banking account and business as to the general accounts and business of the Bank, shall, from time to time, and not less than once, and not exceeding four times in any one year, be submitted to the examination and audit of an officer or officers to be, from time to time, appointed or authorised by the Governor in Council for the purpose, and the report of such officer or officers as to the state of the banking account between the Government of Bombay and the Bank, or as to the cash balances invested or uninvested for the time being in the hands of the Bank, or as to any proceeding relating to the said banking account or business transacted by the said Bank on behalf of the said Government, shall first be laid before the directors of the Bank to enable them to furnish any explanation or further information touching any of the matters referred to in the report; and such report, together with the explanation, shall then be submitted to the Governor in Council, whose order, decision, or finding on such report and explanation shall be binding and conclusive on the Bank, so far as relates to matters by the same report and explanation appearing to have been done and transacted.

7th. That, from and after the day to be appointed in the notification aforesaid, an Agency of Issue shall be established at the principal office of the Bank of Bombay as the agency for the Circle of Issue (of Bombay) under Act XIX. of 1861; and that the said Bank shall and will act as agents for the said Secretary of State in Council, the Government of India, and the Government of Bombay in and for the issue to the public at Bombay, and the circulation of the Government currency notes established by the said Act, and in the payment and cashing of such notes, and in all things required to be done by such agents or at such agency, under or by virtue of the said Act.

8th. That all demands for the issue of the Government currency notes that shall be made in the Circle of Issue of Bombay, under the 9th section of the said Act XIX. of 1861, may be made at the said agency at the principal office of the Bank of Bombay; and that the said Bank (such notes having been duly supplied to them on the part of the said Government and of such denominations as shall be requisite in this behalf) shall and will, from time to time, issue and deliver from and at such agency such amount of the said Government currency notes, and of such denominations as may be duly demanded or applied for at the said agency by any person or persons, or body or bodies corporate, desiring and entitled to have the same issued under the provisions of the said Act; and shall and will, for that purpose, from time to time, apply to the Commissioner of the Department of Issue at Bombay, established under the said Act, for such Government currency notes of such denominations as shall be necessary to enable the said Bank to make such issue and delivery.

9th. That whenever the said Bank shall issue and deliver at and from such agency any Government currency notes under the 2d clause of the said 9th section of the said Act in

exchange for standard silver bullion, or foreign silver coin, or under the proviso in the said section in exchange for foreign gold coin or gold bullion, the said Bank shall and will, before such issue and delivery, require the production, by person tendering such coin or bullion, of a certificate signed by the Master of the Bombay Mint, or other the person for the time being authorised for such purpose, that such coin or bullion has been weighed and assayed, and has been deposited in the Mint to the full amount in the value of the notes so to be issued, or shall otherwise satisfy themselves that such bullion or coin to the amount in value of the notes so to be issued at the rates authorised in the said clause and proviso respectively, has been deposited with the said Department of Issue, to the satisfaction of the said Commissioner, according to such mode as shall, from time to time, be directed, with the sanction of the Government of Bombay, by the said Commissioner.

10th. That whenever the said Bank shall issue and deliver at and from such agency any Government currency notes under the 1st and 3d clauses of the 9th section of the said Act XIX. of 1861, in exchange for current silver coin of the Government of India, or for other currency notes of the Government of India, payable to bearer on demand, of other amounts issued within the said circle, or under the proviso in the said section, in exchange for gold coin of full weight of the Government of India, the said Bank shall carry the amount of the said current silver coin or notes, or gold coin of the Government of India, received by it in exchange for the notes so issued, to the credit of the Issue Department of the Government of Bombay in such account as the said Commissioner, with the sanction of the Government of Bombay, shall from time to time direct for that purpose.

11th. That the said Bank shall not issue or deliver any of the Government currency notes provided and supplied to it by the said Commissioner for the purpose of being issued under the said Act, except to such person or persons, or body or bodies corporate, as shall be entitled to demand the same according to the provisions of the said Act, and who shall have complied with the conditions of the 9th section thereof, or otherwise than according to the provisions of the said Act.

12th. That the said Bank shall and will, during the continuance of this agreement, pay and satisfy on demand to the holders the amount of all Government currency notes duly issued according to the provisions of the said Act XIX. of 1861, either in Bombay or in any other Circle of Issue within the Presidency of Bombay, which shall be presented for payment or conversion into cash at the principal office of the Bank in Bombay.

13th. That a settlement shall take place at least twice in every week, and, if required by the Bank, or by the Commissioner of the Issue Department at Bombay, daily, at the office of the Bank in Bombay between the Bank and the said Department of Issue, in respect of the notes issued, the bullion or coin, and notes in exchange for which the same have been issued; and the notes (including notes issued in Bombay, or in any other Circle of Issue within the Presidency) cashed or converted, under these presents of the said Act, by the bank, and the difference in Government currency notes, or in cash and bullion (as the case may be) shall, on such settlement, be adjusted, transferred, and paid.

14th. That so much of the business of the said Issue Department as shall, from time to time, be carried on at the Bank's office, shall be under the direct control and inspection of the Commissioner of the said Department of Issue at Bombay.

15th. That the Bank shall, if required by the officer in charge of the Government Issue Department at Bombay so to do, provide and keep a separate strong room or strong box for the reception and safe keeping of all currency notes, coin, and bullion belonging to the said Issue Department; and such room or box shall be under the separate control of the said Issue Department; and its contents shall always be kept separate from the Bank funds and property, and shall be at the exclusive risk of the Government of Bombay, except in case of loss through the neglect, default, or misconduct of the bank or any of its officers or servants.

16th. That the Bank shall at any time during the continuance of this agreement, when, and if required by the Governor of Bombay in Council, but not otherwise, provide a sufficient and convenient office for the Department of Issue at Bombay, and for the Commissioner of the said office in or upon the banking house or establishment in Bombay of the said Bank, at which office the said Commissioner shall and may conduct the whole or any such part of the business of issue of the said Department of Issue, as the Governor of Bombay in Council may from time to time direct; and that the bank shall and will provide the necessary accommodation and establishment of clerks and servants for carrying out the current duties of the said office.

17th. That the whole responsibility for loss or damage that may be occasioned by, or arise in respect of, the theft or loss of any Government currency notes made under the said Act XIX. of 1861, from and after the time of the said currency notes being delivered from the said Department of Issue to and at the said Bank for issue, or to any servant or agent of the said Bank for delivery to the said Bank for issue: and the whole responsibility for any loss or damage that may be occasioned to the said Government of Bombay, or to the said Bank of Bombay in respect of the wrongful payment, exchange, or satisfaction through mistake, or otherwise, at or by the said Bank of any Government currency notes, which ought not to be paid, exchanged, or satisfied, or of any forged or spurious notes purporting to be Government currency notes, or in respect of the forgery or alteration of any Government currency notes, or in respect of any error or mistake committed

by

by the said Bank or by any of its officers or agents in conducting the agency aforesaid, although the same shall have been conducted under the control and inspection of the said Commissioner of the Issue Department, shall, as between the said Secretary of State for India in Council and the said Bank, rest solely and entirely with, and shall be borne by, the said Bank, who shall have no claim upon the said Secretary of State in Council for compensation or indemnity for and in respect of any such loss.

18th. That as and by way of remuneration to the Bank for their conducting as aforesaid the said agency for the issue of the Government paper currency, and for cashing and converting such notes after issue, the Bank shall be entitled to charge the said Secretary of State in Council with a commission, calculated at the rate of three-fourths per cent. per annum on the daily average amount of Government currency notes outstanding and in circulation through the said agency of the Bank at Bombay, and which commission may be debited to the said Secretary of State in Council in the said banking account between the Government of Bombay and the Bank, the amount of such daily average to be established (if required) to the satisfaction of the officer for the time being in charge of the said issue department.

19th. That in case a separate office shall be provided by the said Bank for the said Commissioner of Issue, upon the requisition of the Governor in Council, under the 16th clause of these presents, the Bank shall also be paid by the said Secretary of State in Council the cost of providing and maintaining such separate office, and of any special establishment that may be provided for, and any special expense incurred by the Bank in respect of the same.

20th. That if at any time during the continuance of this agreement, the said Bank shall establish a branch office at any town or place other than Bombay; and the Governor of Bombay in Council shall offer to the directors of the said Bank for the time being, and the said directors shall, on behalf of the Bank, accept the business of bankers to the Government of Bombay for the district or locality within which such branch shall be established, or the business of issuing and circulating the Government paper currency within such district or locality, then, and in every such case, the business so arranged to be taken up and performed by the said Bank shall be carried on under and subject to the provisions of this agreement, so far as the same are applicable, and on the basis of the clauses cited in the margin, being the 3d and 5th paragraphs of the memorandum of the Government of India of the 20th of March 1861, relating to the establishment of such branch bank, except in so far as the provisions of this agreement, or of the said clauses may be modified or altered by any special agreement which the said Secretary of State in Council, through the Governor of Bombay in Council, may from time to time enter into with the said Bank in reference to the business so to be carried on at the particular branch bank.

3. As regards the establishment of branch banks, the Government will, in each Presidency, prefer dealing with the Presidency Banks when the ground is unoccupied; but when other banks have been established before the Presidency Bank thinks fit to establish a branch, the Government consider that they will have a preferable claim, on equal terms, and finding proper security.

5. If it be clear that the interest on the average cash balance at such place is not enough to make a fair contribution towards the expenses of the branch banks, the Governor will give such fixed annual payment as may be agreed upon, in each case, not exceeding the saving of cost to the Government at such place by the Bank taking its business.

21st. That the powers and authorities hereby given and conferred, and the covenants hereby entered into, shall come into operation from and after a day to be fixed by the Governor in Council by notification in that behalf, which shall be published in the "Bombay Government Gazette" within one calendar month from the date hereof, and shall not come into operation at an earlier day, and the same shall continue and be in force for the term of five years from the date fixed in and by such notification; at the expiration of which time the same shall and may, by notice in writing from the Governor in Council to the directors of the said Bank for the time being be renewed, with or without any modifications, as may be agreed on between the Governor in Council and the said directors.

4. The Mint Master at Bombay, or the person officiating in that capacity for the time being, has, subject to the confirmation of the Governor General in Council, been appointed Commissioner of the Department of Issue at Bombay.

5. The Bombay Circle of Issue within which the Government notes will become a legal tender, shall embrace all the districts of the Presidency of Bombay Proper, together with the town and station of Kurrachee in Sind.

6. The Bank of Bombay is prepared at once to establish branches at Poona, Surat, Ahmedabad, Dhollera, Sholapoor, and Dharwar.

7. The notes will be taken and paid at all the Treasuries comprised in the Circle of Issue mentioned above.

By Order of his Excellency the Governor in Council,

*J. B. Peile,*
Acting Under Secretary to Government.

Bombay Castle,
28 February 1862.

(No. 35.)

Fort William, 12 March 1862.

*Resolution.*—The Governor General in Council approves of and confirms all the provisions of the foregoing notification.

*Ordered*, that the said Notification and the above Resolution be published in the "Calcutta Gazette" for general information.

*C. Hugh Lushington*,
Secretary to the Government of India.

Financial Department, Fort St. George, the 5th February 1862.

NOTIFICATION.

NOTICE is hereby given, that the Treasury of the Secretary of State for India in Council, and of Her Majesty's Indian Government at Madras, shall, from and after the 1st day of March 1862, be established at the Bank of Madras. All payments to be made by or to the Secretary of State in Council, or to the Government of India, or to the Government of Madras at the Treasury of the East India Company, or of the Secretary of State in Council, or of the Government at Fort St. George, shall and may from and after the above-mentioned date be made at the said Bank of Madras.

The issue of Government promissory notes provided for by Act XIX. of 1861, shall take effect from and after the aforesaid date.

The terms on which the business of the General Treasury and the Government Paper Currency shall be conducted by the Bank of Madras, are contained in the following:—

AGREEMENT with the BANK of MADRAS.

MEMORANDUM of AGREEMENT made and entered into this 4th day of February in the year of our Lord 1862, between the Secretary of State in Council for India of the one part, and the Bank of Madras of the other part.

WHEREAS the Governor of Madras in Council, under and by virtue of the provisions of Act IX. of 1843, of the Legislative Council of India, on the 25th day of February 1861, gave notice in writing to the Bank of Madras, that, from and after the expiration of 12 calendar months from the date of the said notice, the Bank of Madras and its then powers and authorities would be modified, and by Act XIX. of 1861, the powers and authorities of the said Bank have been accordingly modified, as by that Act appears: And whereas, at the time when the said notice was so given, negotiations and arrangements were pending between the Governor of Madras in Council (acting in the premises under instructions from the Governor General of India in Council, and on behalf of the said Secretary of State) and the Directors of the Bank of Madras, having for their object the transfer to the said Bank of the business of the Government Treasuries at Fort Saint George and elsewhere, in the Presidency of Fort Saint George and the Provinces annexed thereto, and the superintendence and management by the said Bank, for the Government of India, of the issue of the then proposed Government paper currency: And whereas the general terms of the said proposed arrangement have now been finally settled and agreed upon between the Governor of Madras in Council and the Directors of the said Bank, and by Act XXIV. of 1861, the said Bank have been empowered to enter into an agreement in that behalf with the said Secretary of State in Council: And whereas by Act XIX. of 1861, of the Legislative Council of India, provision has been made for the issue, by the Government of India, of promissory notes payable to bearer on demand: Now, this indenture witnesseth, that for the purpose of carrying out the said arrangement, and in consideration of the payments and covenants hereinafter respectively mentioned and contained, and by and on the part of the said parties to these presents respectively, to be paid and performed; each of them, the said Secretary of State in Council and the said Bank of Madras doth and do hereby, for himself and themselves, and his and their respective successors, covenant and agree with the other of them, and their and his respective successors in manner following (that is to say):—

1. From and after the day to be appointed by the notification mentioned in the 20th paragraph of these presents, the business of receiving and paying money on behalf of the Government of Madras, heretofore transacted at the General Treasury at Fort St. George, shall be carried on and transacted by the Bank of Madras, subject to the provisions of this agreement, and to such orders and directions with regard to receipts and payments as may from time to time be given to the said Bank by the Governor in Council, or any of the officers of the Government of Madras authorised in that behalf; and for the purpose afore said, such account or accounts shall be opened in their books by the said Bank with the Government of Madras as the said Government of Madras shall from time to time direct.

2. The

2. The cash balance now in the General Treasury shall, from and after the day appointed by the notification aforesaid, be deposited with the Bank of Madras, who shall also hereafter receive and hold for the said Government of Madras all monies and balances which, but for these presents, would have been received or held by the said General Treasury, and the Bank shall transact, at their principal office in Madras, all such business for the Government of Madras, regarding the receipt, collection, payment, and remittance of money and securities and other matters as is usually transacted by bankers for their customers.

3. That from and after the day appointed by the notification aforesaid, the said Secretary of State in Council shall pay to the Bank the actual costs and expenses of packing and shipping specie remitted under the preceding clause, and for which costs and expenses contingent bills shall, from time to time, be submitted to the Civil Paymaster, Fort Saint George, for the time being, and be passed by him on approval; and the said Secretary of State in Council shall, from and after the last-mentioned day, further pay, or cause to be paid, to the said Bank the yearly sum of 12,000 rupees in full, of all costs and expenses attendant on the maintenance by the said Bank of the establishment of clerks and servants necessary for the carrying on of the said Government banking account and business, and the Bank shall not charge any interest or commission on the said account, except under such arrangement as in the next following clause mentioned.

4. That so long as the average cash balance for any month in the hands of the said Bank on the said Government banking account shall not exceed 15*lakhs of rupees, the said Bank shall be at liberty to use and employ such balance, subject to the provisions of their present Charter Act, or any future Act relating to the said Bank, and to appropriate the profits arising from such employment without being charged with any interest in account: And that when and so often as the monthly average of such cash balance shall exceed 15 lakhs of rupees, the directors of the said Bank, for the time being, shall forthwith either set aside such excess or surplus in cash to be kept in reserve in a separate cash-room or place of deposit, on account of the said Government of Madras, or shall, at the option of the directors of the Bank, invest such excess or surplus on account of the Government of Madras, either in the purchase of Government securities, or railway debentures guaranteed by Government, in the name of the Accountant-General, or of such other officers as the Government of Madras shall from time to time direct, or in the discount of Government acceptances, or of other claims against the Government, and so that such surplus shall be withdrawn from employment as part of the general funds of the Bank, and so on from time to time, as often as an uninvested surplus cash balance above 15 lakhs of rupees shall, on the taking of the monthly average, appear to be in hands of the Bank. And the said Bank shall at all times be answerable and accountable to the Government of Madras for the surplus cash balance for the time being so set apart or invested, but shall be entitled to draw, and apply the interest or dividends arising from such investment, from time to time, to their own use. But when and so often as the cash balance in the hands of the said Bank shall, on the taking of the monthly average, appear to have been less than 10 lakhs of rupees, then in addition to the profit which the said Bank may acquire by the employment of such balance, free from interest as aforesaid, an additional allowance or remuneration, by way of compensation, shall be made to the Bank, by the payment by Government of interest on the difference between the amount of the actual balance of Government and the sum of 10 lakhs, the interest being calculated at the average rate of interest paid by the public on fixed loans during the month.

* See paragraph 2 of letter No. 13,928, dated Fort William, 28th November 1861, from Secretary to Government of India, Financial Department, to Secretary to Government of Madras.

5. That the books of account, and minutes of proceedings of the Bank relating as well to the said Government banking account and business as to the general accounts and business of the Bank, shall, from time to time, and not less than once, and not exceeding four times in any one year, be submitted to the examination and audit of an officer or officers to be from time to time appointed, or authorised by the Governor of Madras in Council for that purpose; and the report of such officer or officers as to the state of the banking account between the Government of Madras and the Bank, or as to the cash balance invested or uninvested for the time being in the hands of the Bank, or as to any proceeding relating to the said banking account or business shall first be laid before the directors of the Bank, to enable them to furnish any explanation or further information touching any of the matters referred to in the report; and such report, together with the explanation, shall then be submitted to the Governor of Madras in Council, whose order, decision, or finding on such report shall be binding and conclusive on the Bank.

6. That from and after the day appointed in the notification aforesaid, an agency of issue shall be established at the principal office of the Bank of Madras as the agency for the Circle of Issue (of Madras) under Act XIX. of 1861, and that the said Bank shall and will act as agents for the said Secretary of State in Council and the Government of India, in and for the issue to the public at Madras, and the circulation of the Government currency notes established by the said Act, and in payment and cashing of such notes, and in all things required to be done by such agents or such agency, under or by virtue of the said Act.

7. That all demands for the issue of Government currency notes that shall be made in the Circle of Issue of Madras, under the 9th section of the said Act XIX. of 1861, may

be made at the said agency at the principal office of the Bank of Madras, at Madras, and that the said Bank shall and will, from time to time, issue and deliver from and at such agency, such amount of the said Government currency notes as may be duly demanded or applied for at the the said agency, by any person or persons, or body or bodies corporate, desiring and entitled to have the same issued under the provisions of the said Act, and shall and will for that purpose, and from time to time, apply to the Commissioner of the Department of Issue, at Madras, established under the said Act, for such Government currency notes of such denominations as shall be necessary to enable the said Bank to make such issue and delivery.

8. That whenever the said Bank shall issue and deliver at and from such agency any Government currency notes under the 2d clause of the said 9th section of the said Act, in exchange for standard silver bullion, or foreign silver coin, or under the proviso in the said section, in exchange for foreign gold coin or gold bullion, the said Bank shall and will, before such issue and delivery, require the production, by the person tendering such coin or bullion, of a certificate signed by the Master of the Madras Mint, that such coin or bullion has been weighed and assayed, and has been deposited in the Mint to the full amount in value of the notes so to be issued, or shall otherwise satisfy themselves that such bullion or coin to the amount in value of the notes so to be issued at the rates authorised in the said clause and proviso, respectively, has been deposited with the said Department of Issue, to the satisfaction of the said Commissioner of the said Department at Madras, according to such mode as shall from time to time be directed, with the sanction of the Government of India, by the head Commissioner.

9. That whenever the said Bank shall issue and deliver at and from such agency any Government currency notes under the 1st or 3d clause of the 9th section of the said Act XIX. of 1861, in exchange for current silver coin of the Government of India, or for other Currency Notes of the Government of India payable to bearer on demand, of other amounts issued within the said circle, or under the proviso in the said section, in exchange for gold coin of full weight of the Government of India, the said Bank shall carry the amount of the said current silver coin or notes or gold coin of the Government of India, received by it in exchange for the notes so issued, to the credit of the Issue Department of the said Government in such account as the head Commissioner, with the sanction of the Government of India, shall from time to time direct for that purpose.

10. That the said Bank shall not issue or deliver any of the Government currency notes provided and supplied to it by the said Commissioner of the Department of Issue at Madras for the purpose of being issued under the said Act, except to such person or persons, or body or bodies corporate, as shall be entitled to demand the same, according to the provisions of the said Act, and shall have complied with the conditions of the 9th section thereof, or otherwise than according to the provisions of the said Act.

11. That the said Bank shall and will, during the continuance of these presents, pay and satisfy on demand to the holders the amount of all Government currency notes duly issued according to the provisions of the said Act XIX. of 1861, either in Madras or in any other Circle of Issue within the Presidency of Fort St. George, which shall be presented for payment or conversion into cash at the principal office of the Bank in Madras.

12. That a settlement shall take place at least twice in every week, and if required by the Bank or by the Commissioner of the Issue Department at Madras daily, at the office of the Bank in Madras, between the Bank and the said Department of Issue, in respect of the notes issued, the bullion or coin, and notes in exchange for which the same have been issued, and the notes cashed or converted under these presents or the said Act, by the Bank, and the difference in Government currency notes or in cash and bullion (as the case may be) shall, on such settlement, be adjusted, transferred, and paid.

13. That so much of the business of the said Issue Department as shall, from time to time, be carried on at the Bank's office, shall be under the direct control and inspection of the Commissioner of the said Department of Issue at Madras.

14. That the Bank shall, if required by the officer in charge of the Government Issue Department so to do, provide and keep a separate strong room or strong box for the reception and safe keeping of all currency notes, coin, and bullion belonging to the said Issue Department, and such room or box shall be under the separate control of the said Issue Department, and its contents shall always be kept separate from the Bank funds and property, and shall be at the exclusive risk of the Government of India, except in case of loss through the neglect, default, or misconduct of the Bank or any of its officers or servants.

15. That the Bank shall at any time during the continuance of this agreement, when, and if required by the Governor of Madras in Council, but not otherwise, provide a sufficient and convenient office for the Department of Issue at Madras, and for the Commissioner of the said office, upon the premises of the said Bank in Madras, at which office the said Commissioner shall and may conduct the whole, or any such part, of the business of issue, of the said Department of Issue, as the Governor General of India in Council may from time to time direct, and that the Bank shall and will provide the necessary accommodation

accommodation and establishment of clerks and servants for carrying out the current duties of the said office.

16. That the whole responsibility for loss or damage that may be occasioned by, or arise in respect of, the theft or loss of any Government currency notes made under the said Act XIX. of 1861, from and after the time of the said currency notes being delivered from the said Department of Issue to and at the said Bank for issue, or to any servant or agent of the said Bank for delivery to the said Bank for issue, and the whole responsibility for any loss or damage that may be occasioned in respect of the wrongful payment, exchange, or satisfaction, through mistake, or otherwise, at or by the said Bank of any Government currency notes, which ought not to be paid, exchanged or satisfied, or of any forged or spurious notes purporting to be Government currency notes, or in respect of the forgery or alteration of any Government currency notes, or in respect of any error or mistake committed by the said Bank or any of its officers or agents in conducting the agency aforesaid, although the same shall have been conducted under the control and inspection of the said Commissioner of the Issue Department at Madras, shall, as between the said Secretary of State for India in Council and the said Bank, rest solely and entirely with, and shall be borne by, the said Bank, who shall have no claim upon the said Secretary of State in Council for compensation or indemnity for and in respect of any such loss.

17. That as and by way of remuneration to the Bank for their conducting as aforesaid the said agency for the issue of the Government paper currency, and for cashing and converting such notes after issue, the Bank shall be entitled to charge the said Secretary of State in Council with a commission, calculated at the rate of three-fourths per cent. per annum on the daily average amount of Government currency notes outstanding and in circulation through the said agency of the Bank at Madras, and which commission may be debited to the said Secretary of State in Council in the said banking account between the Government of India and the Bank, the amount of such cost to be established (if required) to the satisfaction of the officer, for the time being, in charge of the said Issue Department.

18. That in case a separate office shall be provided by the said Bank for the said Commissioner of Issue at Madras, upon the requisition of the Governor of Madras in Council, under the 14th clause of these presents, the Bank shall also be paid by the said Secretary of State in Council the cost of providing such separate office, and of any special establishment that may be provided for, and any special expense incurred by the Bank in respect of the same.

19. That if, at any time during the continuance of this agreement, the said Bank shall establish a branch office at any town or place other than Madras, and the Governor General of India in Council shall offer to the directors of the said Bank for the time being, and the said directors shall, on behalf of the Bank, accept the business of bankers to the Government of India for the district or locality within which such branch shall be established, or the business of issuing and circulating the Government paper currency within such district or locality, then, and in every such case, the business so arranged to be taken up and performed by the said Bank shall be carried on under and subject to the provisions of this agreement, and on the basis of the clauses cited in the margin, being the 3d and 5th paragraphs of the Government memorandum of the 20th March 1861, relating to the establishment of such branch Bank, except in so far as the provision of this agreement or of the said clauses may be modified or altered by any special agreement which the said Secretary of State in Council, through the Governor General of India in Council, may from time to time enter into with the said Bank in reference to the business so to be carried on at the particular branch bank.

3. As regards the establishment of branch banks, the Government will, in each Presidency, prefer dealing with the Presidency Banks when the ground is unoccupied. But when other banks have been established, before the Presidency Bank thinks fit to establish a branch, the Government consider that they will have a preferable claim, on equal terms, and finding proper security.

5. If it be clear that the interest on the average cash balance at such place is not enough to make a fair contribution towards the expenses of the branch bank, the Government will give such fixed annual payment as may be agreed upon, in each case, not exceeding the saving of cost to the Government at such place by the Bank taking its business.

20. That this agreement and the powers and authorities herein contained, and the covenants hereby entered into, shall come into operation from and after a day to be fixed by the Governor of Madras in Council, by notification, in that behalf, which shall be published in the "Madras Government Gazette" within one calendar month from the date hereof, and continue for the term of five years from this date, at the expiration of which time the same shall and may, by notice, in writing, from the Governor of Madras in Council to the directors of the said Bank for the time being, be renewed, with or without any modifications, as may be agreed on between the Governor of Madras in Council and the said directors.

The Mint Master at Madras, or the person officiating in that capacity for the time being, shall be the Commissioner of the Department of Issue.

The Madras Circle of Issue, within which the Government notes will become a legal tender, shall embrace the districts of Madras, North and South Arcot, Salem, Coimbatore, and Tanjore.

Any persons who prefer applying at the Mint for notes in exchange for coin or bullion may apply there instead of at the office or agency at the Bank, provided they apply for not less than 2,000 rupees at a time. They will, in such case, receive the notes at the office of the Commissioner at the Bank one clear working day after their applications.

The notes will be taken and paid at all the Treasuries comprised in the Circle of Issue mentioned above.

By order,
*T. Pycroft,*
Chief Secretary.

(No. 25.)

FINANCIAL DEPARTMENT.

Fort William, 21 February 1862.

THE Governor General in Council approves of and confirms all the provisions of the foregoing notification.

*C. Hugh Lushington,*
Secretary to the Government of India.

## ACT No. IV. of 1862.

PASSED by the Governor General of India in Council.

(Received the assent of the Governor General on the 28th February 1862.)

An ACT for regulating the Bank of Bengal.

**Preamble.**

WHEREAS the Governor General of India in Council has, pursuant to the provisions of Act VI. of 1839 (relating to the Bank of Bengal), given 12 months' due notice to the Bank of Bengal, that the provisions of the said Act, as regards the power of the bank to issue promissory notes under Section XXXI. of that Act, would be modified as hereinafter appears, and it is expedient that the provisions of the said Act and of Act XXI. of 1854 (to amend the law relating to the several Banks of Bengal, Madras, and Bombay), and of Act XXVII. of 1855 (to enable the Banks of Bengal, Madras, and Bombay to transact certain business in respect of Government securities and shares in the said banks) as regards the said Bank of Bengal should be re-enacted with certain amendments and modifications hereafter contained; it is hereby enacted as follows:—

**Repeal of Act VI. of 1839, and Acts XXI. of 1854, and XXVII. of 1855, so far as they relate to the Bank of Bengal.**

I. Act VI. of 1839, except in so far as it repeals any prior charter, regulation, or Act, and except as to any act or offence done or committed, or any liability incurred before this Act shall come into operation, and Acts XXI. of 1854 and XXVII. of 1855, so far as they severally relate to the Bank of Bengal, are repealed from and after the coming into operation of this Act.

**Present Corporation continued.**

II. From and after the coming into operation of this Act, and notwithstanding the repeal of the said Act VI. of 1839, the present and future proprietors of the capital stock of the Bank of Bengal shall continue to be a body corporate by the name of the Bank of Bengal, with perpetual succession, and shall continue to possess and enjoy all the rights, privileges, and immunities incident by law to a corporation aggregate.

**Property of the Bank.**

III. All property and securities for property, claims, and demands whatsoever now vested in or held by the said Bank of Bengal under and by virtue of the said Act VI. of 1839, shall from and after the coming into operation of this Act be vested and continued in the said Bank of Bengal, as and being a body corporate under and by virtue of this Act as aforesaid; and the said Bank of Bengal as such body corporate, shall be subject to all debts, demands, claims, and liabilities outstanding against the said Bank at the time of this Act so coming into operation, and no suit or proceeding at law or in equity then pending shall cease or abate in consequence of the repeal of the said Act VI. of 1839, or of the continuance of the said Bank by virtue of this Act.

**Bank may sue and be sued by corporate name, and hold and transfer property.**

IV. The said Bank so continued as aforesaid shall and may sue and be sued by its corporate name aforesaid, and shall and may have and use such common seal as the directors of the said Bank shall from time to time appoint, and shall be competent as such body corporate to acquire and hold, either absolutely or conditionally, for a term or in perpetuity, any description of property whatever, and to transfer and convey the same.

**Capital of the Bank.**

V. The existing capital of the said Bank, now consisting of 2,675 shares, of 4,000 Company's rupees each, divisible into half and quarter shares, shall continue to be the capital of the said Bank, but shall from and after the coming into operation of this Act consist of 10,700 shares of 1,000 rupees each, divisible into half and quarter shares, and such capital shall be subject to such increase as next hereinafter mentioned.

VI. It

Increase of capital.

VI. It shall be lawful for the directors of the said bank for the time being, from time to time, as and when they shall deem it expedient so to do, and on such previous notification as they may deem sufficient in that behalf, to increase the said capital, and for that purpose to make such orders and directions for the opening of subscriptions towards such increase of capital by the proprietors of the bank for the time being as to them may seem fit, and also to allow to the said proprietors such period to fill up the subscription as to them the said directors shall seem meet, and also to prescribe in what manner and form the said proprietors shall subscribe and pay into the said bank the proportions of new capital which such proprietors may respectively desire to subscribe, and also to make such orders and directions as to them the said directors may seem fit, for the disposal and allotment of the amount of new capital that may not be subscribed for and paid up by proprietors for the time being, in the manner and form so prescribed. Provided always, that the capital of the said bank, including any increase therein that may be made under Section XXXVII. of this Act, shall not in the whole exceed 30,000 shares of 1,000 rupees each.

Consolidated stock.

VII. It shall be lawful for any proprietor of any 1,000 rupees share or shares, or of any half or quarter share or shares in the existing capital, or in the new capital so to be created as aforesaid, at any time and from time to time to surrender such share or shares or half or quarter share or shares, or any of them, to the directors of the bank for the time being, and to demand and receive from the bank, in lieu thereof, consolidated stock to the like amount as represented by the share or shares or half or quarter share or shares so surrendered; and in like manner any proprietor or other person subscribing for any portion of the new or increased capital, under the provisions hereinbefore contained, may at his option subscribe for shares or for consolidated stock, or partly for shares and partly for stock.

Consolidated stock how transferable.

VIII. The consolidated stock aforesaid shall be transferable (subject to the provisions hereinafter contained with respect to transfers) in any amount or sum not less than 250 rupees, and the holder of any share or shares or half or quarter share or shares or of any consolidated stock, shall be a proprietor of and interested in the capital of the bank to the extent of the amount of the shares or half or quarter shares or stock so held by him.

Certificates of shares and receipts for stock.

IX. A certificate signed by three directors of the said bank shall be delivered to the proprietor of any share or half or quarter shares of the capital of the said bank, upon demand made by such proprietor, and any proprietor of more than one such share or half or quarter share, may at his option demand a certificate for each or one certificate for all his shares, and a receipt shall in like manner on demand be delivered to the proprietor of any stock, and any proprietor of stock may at his option demand one receipt for the whole of the stock or separate receipts for any portions of the stock so held by him.

Shares and stock to be deemed personal estate.

X. The proportion of the capital of the said bank held by any proprietor, whether held as shares or as consolidated stock, shall be of the nature of personal estate of such proprietor.

Transfer of shares and stock.

XI. Shares in the capital shall be transferable by endorsement, to be made on the certificates thereof respectively, under the hand of the proprietor or his attorney duly authorised, which endorsement shall specify the name of the person or persons to whom the said transfer shall be made, and consolidated stock shall be transferable by a deed of transfer executed by the proprietor or his duly authorised attorney, and in the form set forth in Schedule A, hereto annexed. Provided always, that no endorsement of a share, certificate, or deed of transfer of stock shall be effectual to transfer any interest in the share or stock until such endorsement or deed of transfer shall have been registered at the Bank of Bengal, and such registration shall have been noted on such endorsement or deed of transfer under the hand of an officer appointed for that purpose by the directors of the said bank. Provided also, that every transfer of shares or stock by endorsement or deed of transfer as aforesaid, shall be liable to stamp duty as a transfer of shares under Clause 19 of the Schedule A to Act XXXVI. of 1860, or any future Act imposing a stamp duty on transfer of shares.

Corporation to consist of registered proprietors only.

XII. The registered proprietors for the time being of the shares and stock into which the capital of the said bank shall be divided, and no other persons, shall be members of the body corporate hereby continued, and the bank shall not be bound or affected by notice of any trust to which any share or stock may be subject in the hands of the registered proprietor thereof; and when any share or stock is vested in more than one registered proprietor, such proprietors shall, as between themselves and the bank, be considered as joint tenants with benefit of survivorship. The shares and stock registered in the name of the Governor General in Council shall be deemed to belong to the Secretary of State for India in Council.

Directors.

XIII. The business of the said bank shall be managed by nine Directors, of whom (so long as the Government of India shall hold shares or stock in the said bank, or so long as any such arrangement or agreement with the Government as in Section XXIX. of this Act mentioned, which has been already entered into or shall hereafter be entered into, shall remain in force) three shall be appointed and removable by the Governor General of India in Council, and the remaining Directors, and in case the Government shall cease to hold shares or stock in the said bank, and no such arrangement or agreement as aforesaid shall remain in force, all the Directors shall be elected and be removeable by vote of a general meeting of the proprietors.

Present directors to be continued.

XIV. The persons who at the time of this Act coming into operation shall be directors of the said bank, shall continue to be directors of the said bank, subject to removal as aforesaid and to the provisions hereinafter contained.

Two of the elective directors to go out by rotation annually.

XV. Two of the six directors elected and to be elected by the said proprietors shall in rotation go out of office on the second Monday in the month of December in every year, on which day a general meeting of proprietors shall be held for the election of two directors in their stead. Provided always, that any directors going out by rotation as aforesaid shall not be re-eligible at the election which takes place thereupon. Provided also, that the rotation existing at the time of this Act coming into operation shall continue to be observed.

Disqualifications to serve as an elective director.

XVI. Clause 1.—No person shall be eligible or qualified to serve as a director by election of the proprietors, who shall not be a proprietor, in his own right and unincumbered, of shares or stock to the amount of 12,000 rupees at the least of the capital of the said bank, or who shall be a director, or agent, or manager of any other bank or branch bank within the town or suburbs of Calcutta, or who shall be a partner of or managing agent for, or shall hold a power of procuration from, any such director, agent, or manager.

No two partners, &c. of the same firm to serve as directors at the same time.

Clause 2.—No two persons who shall be partners of the same mercantile firm, or one of whom shall be the general agent of, or shall hold a power of procuration from, a mercantile firm of which the other is a partner, shall be eligible or qualified to serve as directors at the same time.

Vacancies among the elective directors how to be filled up.

XVII. In case of the death, resignation, or absence from Calcutta for more than three calendar months, or disqualification under the preceding Section, or removal as aforesaid of any director elected or to be elected by the said proprietors, the other directors shall, within 15 days after such death, removal, or resignation, call a special general meeting of the proprietors for the purpose of choosing a successor to the director so dead, resigned, absent, disqualified, or removed, and such successor shall come into the same place, in the rotation above mentioned, in which the deceased, removed, absent, or disqualified director was.

At general meetings, all matters to be decided by a majority of votes.

XVIII. At general meetings of the proprietors, whether ordinary or special, every election and other matter submitted to the meeting shall be decided by a majority of votes, and no person shall be allowed to vote at any such meeting in respect of any share or stock acquired by transfer, unless such transfer shall have been completed and registered six months at the least before the time of such meeting.

Scale of votes.

XIX. At all such general meetings, the proprietors shall vote according to the following scale:—

| | | | | | |
|---|---|---|---|---|---|
| Four shares of 1,000 rupees each, or consolidated stock amounting to 4,000 rupees, shall entitle to | | | | | 1 Vote. |
| 20 | shares or | consolidated | stock ditto | ditto 20,000 rupees | 2 Votes. |
| 40 | „ | ditto | ditto | 40,000 „ | 3 „ |
| 60 | „ | ditto | ditto | 60,000 „ | 4 „ |
| 80 | „ | ditto | ditto | 80,000 „ | 5 „ |
| 120 | „ | ditto | ditto | 120,000 „ | 6 „ |
| 160 | „ | ditto | ditto | 160,000 „ | 7 „ |

And no proprietor shall be entitled to more than seven votes: provided also, that when any share or stock shall be held by joint registered proprietors, the proprietor whose name shall appear first in the register as one of the holders of such share or stock, shall alone be entitled to vote in respect thereof, and to receive notices as if he were sole proprietor thereof.

Government proxy

XX. It shall be lawful for the Governor General of India in Council (so long as the Government shall hold shares or stock in the said bank) to give a proxy in writing, signed by one of the Secretaries to Government, to any person whom the Governor General in Council may appoint to attend any general meeting of the proprietors; and the holder of such proxy shall be entitled to give seven votes upon all matters or questions that may be submitted to such meeting, excepting upon the election or removal of such directors as are elected by the said proprietors.

Proxies of proprietors.

XXI. Any proprietor entitled to vote at any general meeting may give a proxy in writing, either general or special, under his hand, or the hand of his attorney duly authorised, to any other proprietor; and such proxy shall be produced at the time of voting, and shall entitle the person to whom it is given to vote on such matters as shall be authorised by the tenor of such proxy. Proxies existing and in force at the time of this Act coming into operation shall continue in force, anything herein contained notwithstanding.

Directors to choose president, who is to have a casting vote.

XXII. At the first meeting of the directors in every year, they shall choose a president from among themselves, and whenever the office of president shall become vacant they shall, at their next meeting, choose a successor for the remainder of the current year, and during any vacancy, or in the absence of the president, the senior director in rotation shall be vice-president for the time, and such president or vice-president shall have the casting-vote in all cases of an equal division of votes, at meetings either of directors or proprietors.

XXIII. The

Accounts, receipts, and documents of the Bank, by whom to be signed.

XXIII. The persons for the time being holding the office of secretary and treasurer, or of secretary alone, or of deputy-secretary of the said bank, are hereby severally empowered for and on behalf of the bank to endorse and transfer Government securities, railway shares, certificates, and bonded-warehouse warrants, and other documents of title in goods standing in the name of the bank, and to draw, accept, and endorse bills of exchange, bank post-bills, and letters of credit, in the current and authorised business of the bank, and to sign all other accounts, receipts, and documents connected with such business.

Seal to be used only in presence of three directors, who shall sign in token of their presence.

XXIV. The seal of the said bank shall not be affixed to any instrument except in the presence of three directors, who shall sign their names to the instrument in token of their presence, and such signing shall be independent of the signing of any person who may sign the instrument as a witness, and unless so signed by three directors such instrument shall be of no validity.

Appointment, removal, and remuneration of officers, &c.

XXV. The directors for the time being shall have power to appoint such officers, clerks, and servants as may be necessary to conduct the business of the said bank, and to remove any officer, clerk, or servant of the said bank, and to fix the salaries of such officers, clerks, and servants.

Prohibits certain officers from engaging in other commercial business as principal, agent, or broker, and requires them to give security.

XXVI. No person who shall hold the office of secretary and treasurer, deputy secretary, head-accountant, or khazanchee of the said bank shall, directly or indirectly, engage in any other commercial business, either on his own account individually or jointly with others, or as agent for any other persons, or act as a broker; and every person appointed to any one or more of the said offices shall give such security to the directors for the faithful discharge of his duty as they shall think sufficient. Provided that the security to be given by any secretary or treasurer shall be for not less than 50,000 rupees.

Business of the Bank specified.

XXVII. The business of the said Bank of Bengal shall consist in lending on Government securities and shares in railways the interest whereon shall have been guaranteed by Government, and on goods, wares, and merchandize not of a perishable kind; in drawing, discounting, buying, and selling bills of exchange and other negotiable securities payable in Her Majesty's Indian territories, and not elsewhere; in granting post-bills payable in Her Majesty's Indian territories to order or otherwise than to bearer on demand; in buying and selling gold and silver bullion; in making investments in securities of the Government of India, or in loans or bonds secured by the Imperial Parliament on the revenues of India, or in debentures of railways guaranteed by the Government of India; in receiving deposits; in opening cash accounts and credits; in transacting pecuniary agency business on commission; and in selling property or securities deposited in the bank as security for loans and not redeemed, or property or securities recovered by the bank in satisfaction of debts and claims.

Bank may draw bills of exchange, &c., for the use of their constituents in the agency department.

XXVIII. In addition to drawing, buying, and selling bills of exchange, and granting post-bills payable in India, it shall be lawful for the bank to draw bills of exchange and grant letters of credit payable out of India for the use of their constituents in the agency department, and to buy bills of exchange payable out of India for the purpose of emitting funds to meet such bills or letters of credit.

Bank may transact the business carried on at the General Treasury, and undertake the management of the Government paper currency.

XXIX. It shall also be lawful for the said bank, through their directors, under any arrangement or agreement with the Governor General of India in Council on behalf of the Secretary of State for India in Council, to take over and transact any part of the business of or hitherto carried on at the General Treasury (or in the Department of the Accountant General at Fort William), and to superintend, manage, and become agents for the issue, payment, and exchange of Government currency notes under Act XIX. of 1861 (to provide for a Government paper currency), or any Act which may hereafter be passed in relation to the paper currency of the Government of India, and to pay the amount of such Government currency notes in silver to the holders thereof on presentation and demand; and the directors of the said bank shall have power from time to time to arrange and settle with the Governor General in Council as to the terms of remuneration on which such business in relation to the General Treasury, Accountant General's Department, and Government Paper Currency shall be undertaken by the bank, and also as to the examination and audit from time to time of the accounts and affairs of the bank on behalf of the Governor General of India in Council.

Directors not to make loans on shares, &c.

XXX. The directors of the said bank shall not make any loan or advance on shares or consolidated stock of the said bank, nor on mortgage, or in any other manner on the security of any lands, houses, or immovable property, or the title-deeds relating thereto.

Books to be balanced half-yearly.

XXXI. The directors of the said bank shall cause the books of the said bank to be balanced on the 30th day of June and the 31st day of December in every year, or at such other periods as shall from time to time be determined by the directors, and a settlement of the balance at every such period signed by a majority of the directors shall be forthwith transmitted to one of the Secretaries to the Government of India; and the Governor General of India in Council (so long as the Government shall hold shares or stock in the said bank, or so long as any such arrangement with the Government as aforesaid, which has already been, or shall hereafter be, entered into shall remain in force), shall at all times be entitled to require of the said directors any information touching the affairs of the bank, and the production of any documents of the said bank, and the said directors shall comply with every such requisition.

Dividends to be determined half-yearly.

XXXII. An account of the profits of the said bank shall be taken half-yearly on the 1st day of January and the 1st day of July in every year, or at such other periods as may from time to time be determined on by the directors, and a dividend thereof shall be made as soon thereafter as conveniently may be, and the amount of such dividend shall be determined by the directors of the said bank, on the basis of the actual profits made by the said bank during the six calendar months preceding the day up to which such half-yearly account shall be taken: provided that the said directors shall in their discretion have power to set apart such portion of the said profits as they may deem expedient to be added to the reserve fund against contingencies.

General meeting of proprietors.

XXXIII. On the 1st Monday of the month of August in every year, a general meeting of the proprietors of the capital of the said bank shall be held, at which the directors of the said bank shall submit to the said proprietors a statement of affairs of the said bank made up to the preceding 30th of June, or to such other day as may be determined on by the directors.

Election of auditors.

XXXIV. At the first general meeting of the proprietors of the bank held after the coming of this Act into operation, one or more auditors for the current year may be elected by a majority of votes at such meeting, and in like manner an auditor may be elected at the first general meeting of the proprietors in each current year.

Convening of special general meeting.

XXXV. Any three of the directors, or any 10 proprietors of the said bank may at any time convene a special general meeting of the proprietors upon giving 15 days' previous notice of such meeting, and of the purpose for which the same shall be convened, as well to the directors of the said bank for the time being, as also by public advertisement in the "Calcutta Gazette."

Establishment of branch banks.

XXXVI. It shall be lawful for the directors of the said bank, with the sanction of the Governor General of India in Council, from time to time to form business agencies and to establish branch banks at such places as they may deem advantageous to the interests of the bank, with full power to the said directors to appoint during pleasure such agents, clerks, and servants, and either with or without local boards of directors or management, and under such regulations, restrictions, and conditions as to them may seem fit, and from time to time to vary such regulations, restrictions, and conditions, and the said agents and other officers shall give such security for their good behaviour as the directors may require; and it shall also be lawful for the directors from time to time, under any arrangements or agreements with the Governor General in Council on behalf of the Secretary of State in Council, to provide for the conduct and transaction by any such branch bank or banks of any part of the business of, or hitherto conducted at, the local Government Treasuries, and for the superintendence, management, and agency of the local issue, payment, and exchange of any Government currency notes: provided that such arrangements and all regulations and directions given by the said directors to the agents or managers of such branch banks touching the management thereof, or the description of business to be undertaken thereby, shall not contain anything inconsistent with or contrary to the provisions of this Act, or of any bye-laws, regulations, or orders which may be in force for the time being under the 40th Section of this Act.

Bank may take over capital and business of any other bank, and for that purpose increase its own capital.

XXXVII. It shall be lawful for the directors of the said bank, from time to time, to enter into negotiations for, and to purchase and take over, the capital, assets, and business of any other bank within Her Majesty's Indian territories of which the capital is divided into shares, and to grant and allot to the shareholders or proprietors in such bank, in full of their respective right, title, and interest in such capital, assets, and business, a sufficient number of shares in the capital stock of the said Bank of Bengal (which number shall be determined by the directors), and for that purpose to increase the capital stock of the said bank by the issue of such number of shares as may be so determined on. The shareholders or proprietors of the purchased bank to whom such new shares shall be allotted shall be proprietors of the Bank of Bengal, and be in all respects in the same position as if they had respectively subscribed and paid for the shares so allowed to them. Provided always, that the business so purchased shall after the purchase be carried on by the said Bank of Bengal with, and subject to, the several restrictions contained in this Act.

If any proprietor becomes indebted to the bank.

XXXVIII. If any of the said proprietors shall become indebted to the said bank, it shall be lawful for the said bank to withhold payment of the dividends on the share or shares or consolidated stock of such proprietor registered as his own property, and not as held in trust or as executor or administrator, until payment of such debt, and to apply such dividends towards payment thereof, and after demand and default of payment, and notice in that behalf given either to such proprietor or his constituted agent, or by public advertisement in the "Calcutta Gazette," it shall be lawful for the said bank to refuse registration of the transfer of any such share or shares or stock of such proprietor, until payment of such debt; and if the same shall remain unpaid for the space of six calendar months after such notice, to advertise for public sale, and to sell, such share or shares or stock, or so many or so much as may be necessary, and to apply the proceeds thereof towards payment of such debt, with interest at the rate of six per cent. per annum, paying over the surplus, if any, to such proprietor or to his lawful representative.

Recognition of legal representatives of

XXXIX. Where by the death of any proprietor his share or shares or stock shall devolve on his legal representative, the bank shall not be bound to recognise any legal representative

representatives of such deceased proprietor other than a person who has taken out probate to the will or letters of administration to the estate of such deceased proprietor from the Supreme Court of Judicature at Fort William, or who has obtained a certificate in respect of the estate of such deceased proprietor under Act XXVII. of 1860 (for facilitating the collection of debts on successions, and for the security of parties paying debts to the representatives of deceased persons), describing such shares or stock, from a court of competent jurisdiction within the Presidency of Fort William. deceased proprietors.

XL. It shall be lawful for the directors for the time being of the said bank to make and pass bye-laws, regulations, and orders for the good government, and in reference to the mode of conducting the business of the bank, and such regulations and orders from time to time to modify, rescind, and vary; and it shall further be lawful for the proprietors of the said bank at any general meeting, whether ordinary or special, to pass resolutions and frame and from time to time rescind and vary bye-laws and rules for the direction of the affairs of the bank, and the same shall be binding on the directors and officers and on the proprietors of the bank, until rescinded or varied at any subsequent general meeting; provided always, that no bye-law, regulation, or order, or alteration or rescission of any bye-law, regulation, or order, whether passed by the directors or by the proprietors at a general meeting, shall be of any validity except in so far as the same shall be consistent with the provisions of this Act, and shall be approved by the Governor-General of India in Council, such approval to be signified in writing under the hand of one of the secretaries to the Government of India. Power of director to make, alter, and rescind bye-laws, &c.

XLI. In the construction of this Act, words in the singular number shall include the plural, words in the plural shall include the singular, and words in the masculine gender shall include the feminine, except where the contrary appears by the context. Construction.

XLII. This Act shall come into operation on the 1st March 1862. Commencement of Act.

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## ACT No. V. OF 1862.

PASSED by the Governor General of India in Council.

(Received the assent of the Governor General on the 28th February 1862).

AN ACT to provide for the Payment at the Banks of Bengal, Madras, and Bombay, respectively, of Moneys payable at the General Treasuries of Calcutta, Madras, and Bombay.

WHEREAS, under the provisions of Act XXIV. of 1861 (to enable the Banks of Bengal, Madras, and Bombay to enter into arrangements with the Government for managing the issue, payment, and exchange of Government currency notes, and certain business hitherto transacted by the Government Treasuries), the Bank of Bengal has entered into an agreement with the Secretary of State for India in Council, through the Governor General of India in Council, that so much of the business hitherto generally transacted at the General Treasury of the Government at the Presidency of Fort William, as consists in receiving and paying money on behalf of the Supreme Government and the Government of Bengal, shall be carried on and transacted by the said bank, subject to the provisions of the said agreement, and to such orders and directions with regard to receipts and payments as may from time to time be given to the said bank by the Governor General in Council, or any of the officers of the Government of India authorised in that behalf. Preamble.

And whereas the Governor General in Council has given notice in the "Calcutta Gazette" that the Treasury of the Secretary of State for India in Council and of Her Majesty's Indian Government at Calcutta shall, from and after the 1st day of March 1862, be established at the Bank of Bengal.

And whereas the Bank of Madras and the Bank of Bombay are in treaty with the Governor in Council of Madras and the Governor in Council of Bombay, respectively, for the purpose of entering into similar agreements, and it is probable that such agreements will be shortly executed, and that similar notice to that hereinbefore mentioned will be given by the Governors in Council of Madras and Bombay in regard to the Banks of Madras and Bombay.

And whereas divers promissory notes and negotiable securities and other obligations for the payment of money made by or on behalf of the Secretary of State for India in Council or by the Governor General of India in Council, the Governor of Madras in Council, and the Governor of Bombay in Council respectively, on behalf of the East India Company and of the Secretary of State for India in Council, are made payable at the General Treasury of Fort William in Bengal, the General Treasury at Madras, and the General Treasury at Bombay respectively.

And whereas divers other securities and other obligations are made payable to the Secretary of State for India in Council, or to the said Governor General in Council, or to the Governors in Council of Madras or of Bombay, at the said General Treasuries of Fort William in Bengal, Fort St. George, and Bombay respectively:

It is therefore enacted as follows:—

I. On and after the 1st day of March 1862, and until the expiration of 14 days after notice shall be given in the "Calcutta Gazette" by the Governor General of India in Council, On and after 1st March 1862, all sums payable by or

to Government to be payable at the Bank of Bengal instead of at the General Treasury at Calcutta.

Council, that the Treasury of the Government will be no longer held at the Bank of Bengal, all sums payable by or to the Secretary of State for India in Council, or by or to the Governor General of India in Council, or the Government of Bengal on behalf of the Secretary of State for India in Council, at the General Treasury of Fort William, in Bengal, shall be payable by or to the Secretary of State in Council, or by or to the Governor General of India in Council, or the Government of Bengal respectively, on behalf of the Secretary of State in Council, at the Bank of Bengal, instead of at the General Treasury at Calcutta.

Presentment of promissory notes, &c., at the Bank of Bengal.

II. Whenever presentment of any promissory note, security, or obligation for payment, or for any other purpose at the General Treasury of Fort William, in Bengal, would, before the said 1st day of March 1862, have been necessary or sufficient presentment for such purpose at the Bank of Bengal, shall be necessary or sufficient as the case may be, on and after the said 1st day of March 1862, and until the expiration of 14 days after such notice as in the 1st Section mentioned shall have been given.

Payment at the Banks of Madras and Bombay of sums payable by or to Government at the General Treasuries at Madras and Bombay.

III. If the Governors in Council of Madras and of Bombay respectively shall give notice in the Government Gazettes of their Presidencies respectively, that the Banks of Madras and Bombay respectively have entered into agreements or arrangements with the Secretary of State for India in Council through the said Governors in Council, for the purposes mentioned in the preamble of this Act, under the provisions of the said Act XXIV. of 1861, and that from and after a date to be specified in such notice, the Treasury of the Secretary of State for India in Council, and of Her Majesty's Indian Government at Madras and Bombay respectively, shall be established at the Banks of Madras and Bombay respectively, all sums payable by or to the Secretary of State for India in Council, or by or to the Governor of Madras in Council or the Governor of Bombay in Council on behalf of the Secretary of State for India in Council, at the General Treasury at Madras, or at the General Treasury at Bombay respectively, shall from and after the date specified in such notice, and until the expiration of 14 days after notice shall have been given by the said Governors in Council respectively, that the Treasury of the Government will be no longer held at those banks respectively, be payable by or to the Secretary of State in Council, or by or to the Governor of Madras in Council, or by or to the Governor of Bombay in Council, on behalf of the Secretary of State in Council, at the Bank of Madras or the Bank of Bombay respectively, instead of at the General Treasury at Madras, or the General Treasury at Bombay.

Presentment of promissory notes, &c., at the Banks of Madras and Bombay.

IV. In such case, whenever presentment of any promissory note, security, or obligation for payment or for any other purpose, at the General Treasuries at Madras or Bombay respectively, would have been necessary or sufficient, if such notice had not been given and this Act had not been passed, presentment for such purpose, at the Banks of Madras and Bombay respectively, shall be necessary or sufficient, as the case may be, on and after the date specified in such notice by the Governors in Council of Madras and Bombay respectively, and until the expiration of 14 days after such notice as aforesaid, that the said Treasury will be no longer held at those banks respectively shall have been given.

Proviso as to presentment at the several Banks.

V. Nothing in this Act shall render necessary the presentment at the Banks of Bengal, Madras, and Bombay respectively of any security or other obligation which it would not have been necessary to present at the General Treasuries of Bengal, Madras, and Bombay respectively, if this Act had not been passed.

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## ACT No. VI. OF 1862.

Passed by the Governor General of India in Council.

(Received the assent of the Governor General on the 12th March 1862).

AN ACT to annex a Schedule to Act IV. of 1862 (for regulating the Bank of Bengal.)

Preamble.

WHEREAS the Schedule referred to in Section XI. of Act IV of 1862 (for regulating the Bank of Bengal) as Schedule A. thereto annexed, has not been annexed thereto; and it is expedient to annex such Schedule to the said Act; it is enacted as follows:—

Schedule A. of Act IV. of 1862.

The Schedule hereto annexed, and marked A., shall be deemed and taken to be the Schedule referred to in Section XI. of the said Act IV. of 1862 as Schedule A. thereto annexed, and to be annexed to, and to form part of the said Act.

### SCHEDULE A.

I, A. B: of , do hereby transfer to C. D. of , consolidated stock of the Bank of Bengal to the amount of rupees standing in my name, to hold unto the said C. D., his executors, administrators, representatives, or assigns, subject to the conditions on which I hold the same at the time of the execution hereof.

Dated the day of .

Financial Department.—No. 6 of 1862.

To Her Majesty's Principal Secretary of State for India in Council, London.

Right Honourable Sir,

We have the honour to submit, for your information, copy of the proposed Charter* Act of the Bank of Bombay, and of a letter from the Secretary to the Government of India No. 2525, dated the 5th ultimo, on the subject.

2. With reference to the instructions of the Government of India, we intend, at the next Sessions of our Legislative Council on the 15th July, to proceed to legislate on the subject. We have, therefore, the honour to request that, in case you desire any modification in any of the provisions of the Draft Act beyond those indicated in the letter from the Government of India, you will be so good as to communicate to us your views at an early date.

* Subsequently forwarded as modified with Letter, dated 13 April 1863, No. 8. *Vide* page 69.

We have, &c.
*H. E. B. Frere.*
*W. E. Frere.*
*J. D. Inverarity.*

Bombay Castle,
12 May 1862.

Financial Department.—No. 2525.

From the Honourable *E. Drummond*, Officiating Secretary to the Government of India (Financial Department), to *A. D. Robertson*, Esq., Acting Chief Secretary to the Government of Bombay.

Fort William, Council Chamber,
5 April 1862.

Sir,

Your letter No. 416, of the 19th ultimo, with its enclosed copy of the proposed Charter Act of the Bank of Bombay, having been laid before His Excellency the Governor General in Council, I am directed to inform you, in reply, that it was intended that the Act should be passed by the Bombay Council after approval of the draft by this Government. That approval I am now directed to convey to you, subject to the following observations.

2. There appears to be no objection to the provision made in Section VI. to vest the power of increasing the capital in the Proprietors, instead of in the Directors.

3. The declaration contained in Section V. of limited liability does not appear to be necessary. This point was duly considered in preparing the Draft Act for the Bank of Bengal, and no such limitation was then thought necessary.

4. Section XLIV. of the Draft Act may be omitted, as its objects have already been specially provided for in Act IX. of 1862.

5. His Excellency in Council observes that no provision has been made for electing Auditors, as was done in Section 34 of the Act for regulating the Bank of Bengal.

6. Your attention is also requested to Section 37 of the Act for the Bank of Bengal, empowering it to take over the capital and business of any other Bank; but I am to mention, at the same time, that it is entirely for the Bombay Government to judge whether it would be convenient to adopt that Section.

I have, &c.
*E. Drummond,*
Officiating Secretary to the Government of India.

Financial Department.—No. 71 of 1862.

To the Right Honourable Sir *Charles Wood*, Bart., M.P., Secretary of State for India.

Sir,

We enclose two minutes by Mr. Laing—one written before the receipt of your letter of the 8th ultimo, No. 55, the other immediately afterwards—which explain fully the policy and proceedings of the Administration of the late Viceroy, Lord Canning, with regard to Banking and Currency.

2. It appears evident that the arrangements entered into with the Bank of Bengal have been misconceived, and that, when their real nature is understood, they will be found consistent with the instructions of your letter of the 2d May 1861, and highly conducive to the public interest.

3. Upon one point we desire to express a very decided opinion—viz., that it would have been impolitic to multiply separate Circles of Issue, and that in any scheme for an Imperial Currency for India, it is of vital importance to insure uniformity in the note circulation of each Presidency, which can only be effected by creating three circles only, with Calcutta, Madras, and Bombay as centres and sole places of Government issue, which arrangements with banks, and for receiving notes at Government treasuries on payment of revenue, give the public practically the means of exchanging their notes for coin at other places.

4. These arrangements have been already concluded with the Banks of Bengal, Madras, and Bombay—in the former case for a circle embracing branch banks at Dacca, Patna, Mirzapore, and Benares, and including most of Bengal and part of the North-West Provinces; and we were on the eve of extending it, as stated in Mr. Laing's first minute, throughout the North-West, Punjab, Oude, and the Central Provinces.

5. We have suspended the latter agreements in conformity with your instructions, but we hope that, when those explanations are received, the restriction may be withdrawn, and we may be permitted to proceed with them.

6. You will distinctly observe, that in no case is it proposed to make a Bank the Commissioner for Issue; and that at the only place of issue, the Mint master acts as Government Commissioner, independently of the Bank and in no way connected with it; as regards the issue of notes, except in having for the convenience of the public one of his offices under the same roof.

7. Even this might be withdrawn if you desire it, and the issue of notes by the Commissioner, to parties who apply for it, made at the Mint; but as this would require a somewhat longer notice to be given, and would be very distasteful to the commercial community, it hardly seems worth while to insist on it for the merely nominal object of being able to say that the Currency Commissioner has not only its headquarters but all its offices at the Mint.

8. As regards the treasury deposits, the convenience to the Government of employing bank agency is great; and your letter appears to contemplate the possible extension of such arrangements with the Bank of Bengal. The only reason why in two cases—viz., Agra and Lucknow—arrangements with another bank were proposed, was that, other banks having been established, with great benefit to the public, for several years in some of the cities of the North-West, it was hardly thought fair to introduce branches of the Bank of Bengal to compete with them, without giving them an opportunity of tendering.

9. In two instances the Bank of Agra tendered at a slightly lower figure than the Bank of Bengal, and it was consequently our intention to accept their tenders, but upon this point we await your instructions.

10. You will observe, however, that the whole amount of the cash balances which the Government stipulates to keep as a deposit with the Banks for doing its business at the seven important cities of Allahabad, Delhi, Lahore, Jubbulpore, Nagpore, Agra, and Lucknow, is in the aggregate only 137,500*l.*, and that for this comparatively trifling amount, the convenience of banking arrangements for

for Government transactions, and the advantages of an uniform paper currency, only await your sanction to be extended over provinces comprising a population of more than 50,000,000.

11. As regards the Currency arrangements generally, it only remains to observe, in reply to your inquiry what amount of the reserve it is proposed to invest in securities, that we concur with Mr. Laing in thinking that it is better to keep greatly on the safe side, and not for the present to invest more than 500,000 *l.*, out of the 4,000,000*l.* which is permitted by the Act.

We have, &c.

*Elgin & Kincardine.*
*R. Napier.*
*S. Laing.*
*H. B. Harington.*
*W. Grey.*

Fort William, 21 May 1862.

## Enclosures to No. 71 of 1862.

MINUTE on CURRENCY and BANKING, by the Honourable *Samuel Laing*, dated 7 May 1862.

IN case any question should arise, when I am not here to refer to, as to the arrangements respecting Banking and Currency, I think it desirable to record a minute showing what has been the policy of the Government of India since I have been a member of it.

A very large scheme of Paper Currency for India was proposed by the late Mr. Wilson. It was based on peculiar ideas respecting the currency, which he had long held and ably advocated in "The Economist," in common with a small but distinguished school of political economists, against the views of the great majority of writers and practical men, forming what may be called the orthodox school of Lord Overstone and Sir Robert Peel. Mr. Wilson held that the convertibility of banknotes into the specie they represent may be secured by a provision that whoever issues them shall retain a fair banking reserve, such as one-third in cash; and that every paper note so issued becomes a source of wealth by releasing specie locked up as coin, and converting it into capital. Accordingly, seeing that India has probably a metallic circulation of 90,000,000 *l.* or 100,000,000 *l.* in rupees, he considered that if notes could be substituted to the extent of 45,000,000 *l.* or 50,000,000 *l.* against a cash reserve of one-third of the amount of issue, in the first place, the State would gain the interest on the two-thirds invested in securities, or say 5 per cent. on 30,000,000 *l.*; and, in the second place, the effect on the community at large would be, as he expressed it, as if a silver mine producing 30,000,000 *l.* had been discovered in the Maidan.

With these views, which will be found clearly explained in his speech on the Currency Bill, his whole machinery was directed towards the main object of getting a large amount of paper rapidly into circulation. Notes were to be issued by the State, and made a legal tender down to 5 rupees or 10 *s.*; India was to be divided into a large number, probably not less than 30 or 40 separate circles; and in each circle a Government Commission was to be established for the express object of issuing notes.

No doubt by this system, and by a free exercise of the influence and authority of the Government, a large paper circulation could have been forced out.

I was entirely opposed, however, to the whole scheme.

I thought, and here the Secretary of State fully agreed with me, that however specious may be the proposal to make a large profit by coining the credit of the State into money and investing part of the reserve, a Government cannot undertake this, which is the legitimate business of a private banker, without immense risk both of loss on its investments, and of not being able to maintain the convertibility of its notes in times of difficulty.

I believe that, although a community may in prosperous times economize capital by using paper instead of money, the loss, from the reactions and discredit certain to ensue from an immoderate use of paper, make the cost of a metallic currency the cheapest of insurances.

The first condition, therefore, of a sound paper currency is, that it shall represent coin—not credit, and be issued not with a view to profit, but to the convenience of representing the larger denominations of actual gold or silver money in a more portable form. The rule only admits of this exception, that a small fixed proportion of the specie against which paper is issued may be invested in securities, when it is quite clear that the note circulation can never fall so low in practice as even to approach the limit so fixed.

Another point on which Lord Canning and the other members of the Government thoroughly agreed with me was, that the circumstances of India rendered it peculiarly undesirable to try any novel and hazardous experiments with regard to currency, and above all

all to do anything which might be construed by the native population as an attempt to force Government paper into circulation.

Accordingly the Act was altered into its present form, after discussions in the Legislative Council, in which the above principles will be found more fully developed, and sent home to the Secretary of State for approval.

In giving his sanction to the Bill, the Secretary of State expressed an opinion that the lowest limit of the note should be 5 instead of 10 rupees, and a clause to this effect was proposed by Sir Bartle Frere (I being absent at the time in England); but the feeling of a large majority of the Legislative Council was so strongly against any attempt to substitute paper for silver in the smaller transactions of daily business among the native population, that the clause was rejected. I entirely concur myself in the policy of not issuing notes under present circumstances below 10 rupees.

The principle of the Bill being thus fundamentally altered from that originally proposed by Mr. Wilson, a corresponding change in the machinery for working it became necessary. The division of the Empire into a large number of separate circles, each with a distinct currency, was an arrangement so obviously objectionable in a commercial point of view and for public convenience, that it could only be justified by the hope of some very large advantage to the State from an extended paper circulation. If, in the then apparently desperate state of Indian finance, a revenue of 1,000,000 *l.* a year could have been derived from a State Paper Currency, this possibly might have justified the circle arrangement; though, even then, I considered it would have been bad policy to sacrifice the future to the present, to the extent of entailing on India an inconvenient currency for the sake of a little temporary relief. The inducement, however, being gone, no doubt could remain on the subject. No one acquainted with India can doubt that the chief advantage looked for from a paper currency would be lost if it were not uniform. If a traveller starting from Calcutta for Peshawur had five or six times in the course of his journey to go to a banker or money-dealer and get his notes changed, probably at a discount, for notes of a new circle, it is almost certain that he would prefer taking with him, as at present, a bag of rupees. In India distances are great; communications imperfect; the native population generally ignorant and suspicious with regard to monetary matters; and moneychangers accustomed to exorbitant rates and anxious to retain their business. To divide India, therefore, into some 40 or 50 different currency circles, would have been to create a state of things like that which before the general introduction of gold existed in Germany, where the original thaler or florin of the unhappy traveller soon dwindled down to half its amount in exchanges at the frontiers of a succession of petty States.

Accordingly, the Government of India kept steadily in view, as the main end to be attained, the uniformity of the currency in each of the three Presidencies.

For this purpose it was obviously necessary to employ banking agency. If the State undertook the sole business of the Currency without intermediate agency, it was placed in this alternative—it could scarcely make its notes a legal tender at Delhi or Lahore without any provision for cashing them nearer than Calcutta. On the other hand, if it undertook to cash the Government notes at places like Lahore, as the Government could not risk committing an act of bankruptcy, it must either abandon the uniform issue, or make provision at 30 or 40 different local centres for every note that might by possibility be presented, including the whole Calcutta issue.

This, in fact, was the consideration which had driven Mr. Wilson to adopt the system of circles.

The only escape from it is to have one circle of issue only in the Presidency, and one place, viz. Calcutta, where coin can be demanded from Government for notes as a matter of legal right, but to make arrangements with banks by which the means of cashing notes are practically provided for every man within a convenient distance.

Banks, being accustomed to commercial transactions, can without difficulty apportion their cash reserves at different points to the practical demand, and make arrangements in case of difficulty in a way that no Government can do. In the extreme case also of a bank being obliged to postpone for a day or two, until it can receive a remittance from Calcutta, the accommodation of cashing notes which is afforded to the public as a matter of convenience and not of legal right, the consequences are far less serious than if the Government had failed in fulfilling a legal obligation.

With banks, therefore, accessible who undertake to cash Government notes under all ordinary circumstances; with the surplus local treasury balances available, in case of need, to support the banks in fulfilling this obligation until cash for the notes can be forwarded from Calcutta; and with every treasury open to receive notes at par in payment of revenue, there can be no objection to extending the Calcutta circle of issue over the whole of the Presidency.

In proposing to employ the agency of Banks for the Currency, it happened that separate negotiations were at the same time going on for employing banks to do the ordinary treasury business. The immense convenience and economy of such arrangements are too obvious to require comment, and it is enough to advert to the fact that it has been stated that no less than 30,000 sepoys have been at times employed in treasure guards and escorts, to show what a large saving to the State, and convenience to the public in despatch of business, must accrue.

Having arrived at these conclusions, if I had consulted my own views only, I should have appointed the Bank of Bengal sole agent of the Government in the Bengal Presidency

sidency both for Treasury business and Currency, and put it in effect on the same footing as the Bank of England.

The Bank of Bengal being the oldest and largest bank, and already a *quasi* Government institution—the State holding shares and appointing directors, and having given it by charter the privilege of issuing the existing paper currency, which was about to be taken away—its claims were clearly superior to those of any other bank as regards this Presidency; and the Banks of Bombay and Madras occupied a similar position in the other Presidencies.

I am convinced that a connexion with a State Bank, like that which exists between the Government and the Bank of England, is a great mutual advantage. The convenience to the State in ordinary times is obvious, and history shows what an important resource a bank may be to the Government in times of difficulty. The advantages to commerce, though less obvious, are not less real. It may be true that the directors of the Bank of England have committed errors before the working of the foreign exchanges was so well understood, and closet theorists may argue that a State should hold itself entirely aloof from any connexion with banks and commerce. But practical men come to very different conclusions. They know that while a State depends for its revenue on the prosperity of commerce, and while by the magnitude of its receipts, payments, and deposits, it of necessity affects monetary transactions, it is mere purism to say that it will hold itself entirely aloof from them. Practically, a nation whose commerce is largely developed must employ credit largely, and this credit is based upon reserves. Is it better that the great central reserve should be in a bank, like the Bank of England, with resources greater than any private establishment, and bound by its traditions and its connexion with the Government to avoid speculation, and to confine itself to safe and legitimate business; or that there should be no central reserve, and nothing between the country and a panic but the separate reserves of private bankers and bill-brokers, who act without any concert, and with every inducement in quiet times to run their reserves low, and make the most of their credit?

This is a question which history also answers: and no one who has compared the commercial experience of France or England for the last 20 years with that of the United States since President Jackson, from political motives, severed the connexion of the Government with the United States Bank, will hesitate to say that a State Bank is a great protection against both the frequency, the intensity, and the duration of commercial panics. With these views I should, without hesitation, have recommended the Government to place the Banks of Bengal, Bombay, and Madras avowedly on the footing of State Banks, but I refrained from doing so, because I was aware that the Secretary of State held different opinions. In his instructions, conveyed by Despatch No. 75 of 1861 (which was received and acted upon by Lord Canning after I had left India in June), while sanctioning the general arrangements, and not objecting to the clauses which had been introduced in the Currency Act expressly to enable the Government to employ Bank agency, he lays great stress on maintaining a separate Government Commission, and issuing notes for bullion to any of the public who may desire it independently of the Bank.

Under any circumstances, the Currency would have been entirely independent of the Bank, who would have simply been the agents of the Government for supplying the public with notes for silver, or silver for notes, without any power of either creating or withdrawing from circulation a single rupee which would not have been there at any rate with a purely metallic currency. But, to meet the Secretary of State's views, Lord Canning decided that the Bank should not be sole agent, and that it should be open to any one who chose to apply directly to the Chief Currency Commissioner to obtain notes for silver, or *vice versa*.

Foreseeing however, as has been the case, that this power would be scarcely used, and that, for practical convenience, the public would all prefer the Bank agency, the Government made arrangements accordingly, and provided a separate and independent office for the Currency Commissioner under the same roof as the Bank.

There were thus two arrangements to make with the Bank, one for Treasury business and one for Currency; and under the circumstances the Government felt precluded from making one general agreement for both with the Bank of Bengal as a State Bank, which would have placed them in the best position for obtaining favourable terms. Under these circumstances, the agreements with the Bank were made a good deal as a matter of compromise as to terms, and open to revision after five years, on the joint consideration of what the Bank would lose by the withdrawal of its circulation, and what the Government would save by the work done for it by the Bank. The Bank having been chartered by the Government, and in effect called into existence by it as the sole Bank of Issue for Bengal, and the Government holding shares, and being closely connected with it in public opinion, it was felt that it would neither be morally right nor politically expedient to avail ourselves of the letter of the law, by withdrawing the note circulation of the Bank without a fair equivalent. The Bank had a note circulation of 1,500,000*l.*, and on the average held about one-third of this amount in specie reserve, so that they enjoyed the free use of a capital of 1,000,000*l.* It was found that by the transfer of the Treasury business we should save an establishment of clerks costing the Government 8,745*l.* a year, and that the balance in our Central Treasury had, for a series of years, never gone below 700,000*l.* We agreed to give them about half the saving in clerks, or 4,360*l.* a year, and to guarantee them a minimum Government balance of 500,000*l.*; *i. e.*, we were to be at perfect liberty to draw

our balance as low as we liked, but if we went below 500,000 *l.*, we were to pay interest o the amount overdrawn. Practically, the balance could never be allowed to fall so low, that this stipulation cost the Government nothing, and the average balance will always b much higher. Up to 700,000 *l.* we allow the Bank to use this as an ordinary customer balance. Beyond 700,000 *l.* the Government balance is not mixed up with the gener assets of the Bank, but set apart, either in cash or in Goverement securities held at the ris of the Bank, and assigned by way of special security by the Bank to the Government.

Practically, also, the Government lose nothing by letting the Bank use any excess balance beyond the 500,000 *l.* (though it is entirely optional with them to do so); for n safe means of temporary investment exist by which the Government could make intere on its unemployed balances, however large, without parting with the full command of th money, which it is essential to retain.

As regards the Government, therefore, the Treasury arrangement really costs 4,360 *l.* year, against which there is a direct saving of an equal amount; while as regards the Banl it gets 4,360 *l.* a year, and the use of 700,000 *l.* of capital, as a compensation for the ad ditional establishment and cost of doing the Government work, and for the withdrawal o 1,000,000 *l.* of capital by the loss of its note circulation.

Under the Currency arrangement, the Bank receives a commission of ¾ per cent. on th average note circulation through their agency, which may be taken for the present at abou 2,000,000 *l.*

For this commission the Bank undertake the whole of what may be called the retail wor of issuing and cashing notes across the counter and for small amounts; the whole corres pondence as to notes lost or stopped payment; the whole risk of loss from forgeries, &c. and, what is the most important of all, they undertake to establish branches wherev desired by the Government, and to provide at them, at their own risk and cost, the mean of cashing all Government notes which may be presented in the ordinary course business.

Independently of the immense advantage, which has been referred to, of ensuring b these means an uniform currency, it is clear that the Government could not have est blished Commissions of Issue of its own for anything like the sum which it pays the Banl In the Presidency towns a large building must have been built or hired, in the centre o business, with ample counter-accommodation and a number of clerks. In the province there could not have been fewer than 20 Circles of Issue, at the centre of each of which, i some large town, there must also have been a commodious office and a separate establis ment. This establishment could not have been very cheap: for a Deputy Commissione charged with the Currency must have been a man of a superior stamp and well paid; an with large cash transactions and stocks of notes, he must have had one or more well-pai assistants, to act in case of his illness or absence. I doubt if a State Currency Commissio to do the work of a Bank, could have been established for less than 6,000 *l.* or 8,000 *l.* a yea in Calcutta, and an average of 1,500 *l.* or 2,000 *l.* a year for each provincial circle, in whic case it must have cost the Government at least twice as much to do the work as it will pa by employing Bank agency.

Nor is this all. It is quite clear that if the Government had dealt directly with th public, it could never have ventured to invest nearly so much of its reserve as it may do wit perfect security under the arrangement with the Bank. With such serious consequences re sulting from any failure to cash notes at a Government office, and such very inadequate mea as a Government possesses of foreseeing commercial fluctuations or meeting commerci difficulties, I should never have ventured to withdraw, for many years to come, a sing rupee from any country Centre of Issue; while, with the whole issue at Calcutta and th Bank between me and any unforeseen demand, I could invest 1,000,000 *l.* out of 3,000,000 with perfect confidence. I consider it wise, however, to keep far on the safe side wit regard to investing Currency reserve, and I should recommend the Goverpment for th present to be content with investing as much as may be required to cover the commissio to the Bank and any other expenses, for which purpose 500,000 *l.* would be sufficient.

The arrangements with the Banks of Bombay and Madras have been made on the sam principle, having regard to the amounts of their previous note circulation and to th average Government balances at those Treasuries.

Agreements have also been made with the Bank of Bengal to establish branches Patna, Mirzapore, Benares, and Dacca.

Other banks being in existence at Agra and other towns of the North-West and Punja who claimed a preference, tenders were invited for undertaking the Treasury business, und the condition that, if any Bank other than the Bank of Bengal obtained this business, the shall undertake a sub-agency from that Bank for the Currency.

The result of these tenders has been, that the Bank of Agra has obtained the Treasu business at Agra and Lucknow, and the Bank of Bengal at Allahabad, Delhi, and Lahor

The Bank of Bengal has also undertaken to establish branches on similar terms at Jul bulpore and Nagpore, so that the arrangements are now ripe for extending the Calcut circle of issue over the whole Presidency. The complete arrangements will stand follows:—

| | Minimum Balance, below which if Government draw, they pay Interest. | Maximum Balance, which Bank may use, without special Security. | Actual Balance, 31st March. |
|---|---|---|---|
| *Bank of Bengal.* | £. | £. | £. |
| Calcutta | 500,000 | 700,000 | 4,411,548 |
| Patna | 30,000 | 50,000 | 167,825 |
| Mirzapore | 28,373 | 37,831 | 33,582 |
| Benares | 30,000 | 50,000 | 80,237 |
| Dacca | 15,000 | 25,000 | 11,917 |
| Allahabad | 17,500 | 35,000 | 205,022 |
| Delhi | 17,500 | 35,000 | 108,049 |
| Lahore | 17,500 | 35,000 | 96,426 |
| Jubbulpore | 20,000 | 40,000 | 116,616 |
| Nagpore | 30,000 | 50,000 | 107,258 |
| *Agra Bank.* | | | |
| Agra | 20,000 | 25,000 | 481,534 |
| Lucknow | 15,000 | 17,500 | 74,568 |
| *Bank of Bombay* | 300,000 | 400,000 | 322,532 |
| *Bank of Madras* | 100,000 | 150,000 | 473,661 |

The Banks of Bombay and Madras are about to establish branches at some of the chief towns of those Presidencies, but the details are not yet completed.

The arrangements with the Bank of Bengal for the transfer of the Treasury business and establishment of a Currency Circle, including nearly all Bengal, and extending to Benares, took effect on the 1st March, and have thus far worked admirably and given unusual satisfaction. Those with the Banks of Bombay and Madras have also been carried out with great success. By the latest returns, the issue of Government Currency stood as follows:—

*Liabilities.*

| | *Rs.* |
|---|---|
| Notes Issued— | |
| Calcutta | 2,30,00,000 |
| Bombay | 1,14,00,000 |
| Madras | 25,00,000 |
| Total | 3,69,00,000 |

*Assets.*

| | |
|---|---|
| Coin and Bullion | 3,27,85,600 |
| Government Securities | 41,14,400 |

Under these arrangements, India will get the inestimable advantage of an uniform currency, and practically nearly all the advantages and conveniences of a State Bank in each Presidency, while the principle for which the Secretary of State is so anxious will be preserved of keeping the Currency entirely distinct from Banking operations. The Bank is the mere agent of the Government as regards the Currency, to do for it what it must otherwise do, much more expensively and inconveniently, for itself. The Bank has no power whatever of making the circulation differ, to the extent of a single rupee, from what it would have been if it had remained exclusively metallic. The public are not obliged to go to the Bank, and can obtain notes for bullion, in any beyond retail amounts, direct from the Currency Commissioner if they prefer it. In short, the arrangement is very much what it would be if the Issue Department of the Bank of England were placed under the Master of the Mint as Currency Commissioner, the Government having the profit of the Currency, and paying the Bank by a percentage on the circulation for doing the business, while it remained open to any importer of bullion who preferred it to get notes from the Commissioner.

The direct cost to the State of these arrangements will be nothing—the saving of establishments and the extra power of investing reserve more than covering the payments to the Banks—while the indirect advantages will be very great. Treasury guards and escorts will be almost superseded, and remittances greatly facilitated, and in case of need a much smaller aggregate cash balance will suffice to conduct the business of the Government.

The indirect advantage to the community will also be great, from the establishment of Banks at all the principal centres of commerce and population. The extension of English capital and enterprise will be facilitated, while credit generally and all monetary operations will be placed on a sounder and more economical footing. By degrees, the

system of deposits and of making payments by cheques will extend itself throughout the country, with a great simplification and saving in business, and with the advantage of making the spare floating capital of one part of the community available, at a fair market rate, for the legitimate demand of others for temporary accommodation, on good Banking security. The extension of Banks also, with an uniform Paper Currency representing coin, will tend greatly to aid commerce, by facilitating remittances, and keeping the internal exchanges moderate and uniform.

The only remaining point to notice is as to the partial introduction of Gold. I have always thought that the step taken by the Indian Government, in December 1852, of refusing to accept Gold at the Government Treasuries was a mistake. Gold being the most convenient and portable metal, and becoming more and more every day the Currency of nearly the whole civilized world with which India has commercial transactions, it seems to me very undesirable to exclude Gold altogether from the ordinary range of its monetary transactions.

Were it possible to create *de novo* a Currency for India, there can be little doubt that one similar to that of England would be the best—viz., with a Gold standard and Gold Coins for moderate sums, a Silver-token Currency for small transactions, and Notes representing Gold for large amounts. But with a Silver standard and an immense Silver coinage actually existing, the introduction of a Gold Coinage becomes difficult.

I do not agree with many of the objections which have been urged against the adoption of a double standard; and if the alternative had lain between this and the abandonment of the principle of uniformity, by issuing notes in distinct circles, I should not have hesitated to prefer the double standard.

But this object being attained, there are no doubt difficulties in the way of a double standard which it is better to avoid; and, in fact, the adoption of a double standard may be probably looked upon as a transition process to the abandonment of a Silver and substitution of a Gold standard.

This involved an amount of change which, especially under existing circumstances, when a season of tranquillity and repose in financial and monetary matters is very desirable, I was not prepared to recommend; and, accordingly, the only provision respecting Gold inserted in the Currency Act was one by which the Government were empowered to issue notes to a limited extent, never exceeding one-fourth of the issue represented by coin or bullion, against gold coin or bullion, at rates to be fixed, from time to time, and not altered without six months' notice.

The object of this was simply to leave the door open for cautious and tentative experiments with regard to the future use of Gold. The importation of Gold already exists and is increasing, and the metal is so much appreciated by the native population as generally to command a premium. It might, therefore, be a convenience to importers, and an encouragement to increased importation, if it were known that a certain quantity of Gold could always be converted into money at a fixed rate; while if this rate were fixed with a little margin below the ordinary market price, and adjusted, if necessary, every six months, no risk of loss to the Government would be experienced. Thus after a time, if the use of Gold became more general, and its value more fixed, some further step might be taken; but in the meantime the clause would only be acted upon where it was shown that it would be a convenience to commerce, and that the Government would run no appreciable risk. Indeed, I should recommend the Government to wait for a year or two's experience of the working of the system just inaugurated, before they take any step to put this clause as to Gold into operation, unless upon an application from the mercantile community of one of the Presidencies, based upon strong grounds of practical convenience, in which case Notes might be issued for Gold at a safe rate at the Central Office of Issue of that Presidency.

*S. Laing.*

7th May 1862.

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Further MINUTE on CURRENCY and BANKING, by the Honourable *Samuel Laing*, dated 16th May 1862; in Reply to Secretary of State's Letter of 8th April 1862.

SINCE writing the minute of the 7th instant, recording the general policy on which the Government of India had acted in regard to Banking and Currency, a Despatch, dated 8th April 1862, from the Secretary of State has been received, which contains charges against that Government of having acted in disregard of instructions, and having made an extravagant agreement with the Bank of Bengal.

2. I am not directly implicated in these charges, for I was absent from India at the time when the instructions of the Secretary of State were received, and the agreement with the Bank of Bengal was made under the immediate orders of Lord Canning, who had taken charge of the Financial Department; still, as the arrangements were made in conformity with the advice I had given, and as I heartily approve of them, I consider myself as much responsible for them as if they had been my own doing: and as Lord Canning, Sir Bartle Frere, and Mr. Beadon have all ceased to be members of the Supreme Government, and the Financial Secretary, Mr. Lushington, has also left India, I am probably the only person who can rectify the misconceptions which obviously prevail, and refute the charges which, under these misconceptions, have been made.

3. This

3. This I proceed to do—

The following is an abstract of the proceedings which have actually taken place since I became a member of the Government of India:—

The Secretary of State writes, commenting on the Currency Bill introduced by the late Mr. Wilson, and desiring that the Bill may not be passed until it has been submitted for his consideration in Council. — 30th November 1860.

The Governor General in Council writes, referring to this letter, and forwarding for approval the new Currency Bill which had been substituted for that of Mr. Wilson, and enclosing a minute by Mr. Laing explaining the objects and nature of the changes made, and minutes by Lord Canning, Sir Bartle Frere, and Mr. Beadon, approving of them. — 8th March 1861.

4. With reference to the only point now under discussion, viz., that of arrangements with Banks, the Bill contains provisions, which were not in the original Bill, expressly authorising the Government to make arrangements with "Banks or other Agencies" for "regulating and facilitating the issue and payment, under the provisions of this Act, of promissory notes of the Government of India." And Mr. Laing's minute distinctly states that the object of those provisions was to get rid of the "costly and complicated machinery of semi-independent Government Commissioners," and to substitute "the Agency of the existing Banks wherever they now have establishments, or may be disposed to open branches."

5. The minute further states, that "arrangements are now pending with the Bank of Bengal for keeping the Government account, and for the custody of the cash balance at Calcutta; and it seemed that these arrangements might with great advantage to the Government, and great convenience to the public, be extended to other Banks and Presidencies, and to the principal towns of the interior, and at the same time be made to comprise the management of the Paper Currency."

6. The Secretary of State therefore was fully apprised of the views of the Government of India, and of the policy intended to be pursued in the event of the clauses relative to Banks becoming law.

7. The Secretary of State's reply, dated 2d May 1861, returns the Bill with his sanction, subject to one amendment—viz., for reducing the denomination of notes to five rupees (which was rejected by the Legislative Council), and with full observations as to the proposed arrangements with Banks, the provisions as to which, however, in the Act he does not propose to alter, as he considers that "the alterations in practice which he has recommended are not inconsistent with them."

8. As regards constituting the Bank of Bengal the bankers of the Government, the Secretary of State observes—

"26. As regards the first point, Mr. Laing, in his minute, observes 'that arrangements are now pending with the Bank of Bengal for keeping the Government account, and for the custody of its cash balance at Calcutta.' From this proposition, however, the payment of the interest of the public debt appears to be excluded. To this arrangement, provided proper security be taken against any loss to the Government by any misconduct on the part of the Bank, I have no objection, but I can see no reason why all payments on account of the Government should not be made in the same way."

"27. I observe that Mr. Laing goes on to say—'And it seems to me that these arrangements might, with great advantage to the Government, and great convenience to the public, be extended to other Banks and Presidencies, and to the principal towns of the interior.'. I see no objection to similar arrangements to those proposed for the Bank of Bengal being made with the Banks of Madras and Bombay. I concur with him also that, where there are branches of the Banks of Bengal, Madras, and Bombay in other towns of their respective Presidencies, they would virtually be available for the same purposes as the parent establishments in the Presidency towns, and perhaps arrangements might be made with other Banks in the interior; but the convenience will not be great, unless they are in communication with Banks elsewhere."

9. As regards the Currency arrangements, the essence of the Secretary of State's observations is contained in paragraphs 40 and 41 of the Despatch:

"40. There appears to me to be conclusive reasons for the appointment of Commissioners or Deputy Commissioners of Issue in such places as you may select for the Centres of Circles of Issue. Wherever an Issue is to take place, I am of opinion that there should be a Government officer by whom the Issues should be made."

"41. I can quite understand, however, that the notes may be more readily brought into circulation through the medium of bankers, or indeed of other traders; and in a limited sense, therefore, I do not object to the words in the 4th and subsequent clauses, which seem to have been introduced with this view. I object, however, to any banker or trader being, *at any Centre of Issue*, the only place where coin can be obtained for notes, or notes for coin. Such an arrangement is quite inconsistent with the intention and scope of an Act to provide for a Government Paper circulation in India."

10. The Secretary of State, as appears from paragraph 31, was under the impression that Mr. Laing's minute "would almost seem to imply that he intended all bullion or coin to be taken not to the Commissioner of Issue, but to the Bank;" and he lays great stress on

"the issue of notes being kept quite distinct from any Banking establishment," and through "the direct action of a Government office."

11. The Secretary of State was under a misapprehension as regards the meaning of my minute and the intentions of the Government; for although the issue of the Currency through the sole agency of a State Bank like the Bank of England, is undoubtedly the course which I should have advocated, if acting on my own views, I waived this in deference to the known views of the Secretary of State, and proposed arrangements by which, while the objects I had in view would be substantially attained, the principle of a Government Issue would be strictly upheld.

12. This Despatch was received after I had left Calcutta, and dealt with by Lord Canning, who, in my absence, had taken personal charge of all the important business of the Financial Department.

13. His Excellency seems to have taken exactly the same view of it as I should have done myself: viz., that the Secretary of State entirely approved of the proposed Treasury arrangements with the Banks, his only objection being, that upon one point they did not go quite far enough, and as regards the Currency arrangements that he admitted the convenience of employing Bank agency (see paragraph 41 of Despatch), and only objected on the supposition that we intended to do something quite different from what was really proposed—viz., to abandon the principle of Government Issue altogether, and dispense with Government Commissioners, making the Bank the issuing body. The only definite instruction or restriction seemed to be contained in the passage in paragragh 41, which states that "he objects to any banker or trader being, *at any Centre of Issue*, the only place where coin can be obtained for notes, or notes for coin,"—the italics, it being observed, being the Secretary of State's own.

14. The whole subject, with the Secretary of State's Despatch and proposed agreement with the Bank of Bengal, was brought fully before Lord Canning by the Financial Secretary in a long minute; and his Excellency's instructions in the margin show that all the points were fully considered by him, and that it never occurred to him that there was anything in the Secretary of State's letter which required anything more than a few words of explanation as to the real intention, which was given by a Despatch, dated 16th July 1861, and a distinct provision, by which the public might, if they chose, obtain notes for bullion directly through the Currency Commissioner, and without any dealing with the Bank.

15. Accordingly, the heads of agreement with the Bank were sanctioned, after reference to the law officers and careful consideration of details, in September last, or nearly three months before I returned to India.

16. On a careful perusal of the whole proceedings, I can see no foundation whatever for the assertion in the Despatch of the 8th April, just received, that "the arrangement contemplated in the agreement with the Bank appears to be directly opposed to the tenor of my instructions."

17. There is only one phrase in those instructions which, on the most forced construction, can be held to have been contravened. The Secretary of State objects to "any banker or trader being, *at any Centre of Issue*, the only *place* where coin can be obtained for notes, or notes for coin." How a "banker" can be a "place" is certainly not very clear, but the obvious construction appears to be, not as to the number of the street or the locality in which the business is to be conducted, but that the Government Commissioner who issues shall be *bonâ fide* distinct from the banker who is employed as agent.

18. It is a good illustration of the impossibility of dealing with practical details at a distance of thousands of miles from the interests which are affected, that while the Secretary of State was writing his letter, stating that other Banks would probably object to be obliged to go to the Bank of Bengal to get notes, whereas no one could object to go to the Mint, the commercial community of Calcutta, including some of the leading representatives of those other Banks, were urging upon Lord Canning's Government, that the Issue shall be concentrated at the Bank of Bengal, on the ground of the great convenience to all classes engaged in business.

19. The Government of India, being anxious at the same time to meet the Secretary of State's views, and to consult the general wish of the commercial community, made it part of the arrangement that the Government should have an office set apart for the Commissioner of Issue under the same roof as the Bank of Bengal, but entirely distinct from it.

20. Any person, therefore, who prefers having nothing to do with the Bank may take his bullion to the Mint and receive notes for it next day, from a Government officer at a Government office, in the most convenient and central part of the town, without ever seeing the face of a bank clerk, or the Bank having any knowledge whatever of the transaction.

21. If this does not meet the Secretary of State's reservation of the principle of distinct Issue, I am at a loss what more could be done short of an entire prohibition of the use of Bank agency in any form whatever.

22. Surely, if this was the view of the Secretary of State, and if, as he now writes, it

is "contrary to all the instructions I have ever given, that either one or more Banks should be made the medium of the Issue of the Government notes," it was scarcely fair to Lord Canning and his Government to write on the 2d May 1861—in reply to a Despatch expressly announcing the policy of employing Bank agency, and asking for sanction to clauses to carry it into effect—that "he could quite understand that the notes may be more readily brought into circulation through the medium of bankers or other traders; and in a limited sense, therefore, he did not object to the words of the 4th and subsequent clauses, which seem to have been introduced with this view," and qualifying this assent only, by "objecting to any banker or other trader being, at any Centre of Issue, the only place where coin can be obtained for notes, or notes for coin."

23. In my separate minute on the general policy of the Government of India with regard to the Currency; I have shown that it was not proposed to have any Centres of Issue except Calcutta, Bombay, and Madras, and consequently that the Secretary of State's restriction to employing Bank agencies did not apply to any other places, such as Mirzapore or Benares, and that at the Centres of Issue the arrangements made enabled any person who chose to obtain notes for coin, or coin for notes, altogether independently of any Bank.

24. This disposes of the charge of having acted contrary to instructions. As regards the merits of the agreements themselves, I am equally at a loss to understand how such an assertion can be justified, as that they "entail unnecessary payments and loss to the State."

25. That better terms might have been made if we had not been precluded by instructions from home from placing the Banks of Bengal, Bombay, and Madras avowedly in the position of State Banks, I do not deny. But we were precluded from giving the valuable consideration, for which we could have asked a large equivalent. We were compelled to negotiate the Treasury and Currency arrangements separately, and to make each partial and temporary.

26. Under these circumstances, I do not consider that an arrangement under which it can be demonstrated that the State saves more than 1 *l.* directly for every 1 *l.* it pays the Bank, in addition to all the great indirect advantages which have already facilitated the conduct of public business to so great an extent, deserves the appellation of an improvident bargain.

27. The Secretary of State writes—

"9. Looking only to the remuneration to the Bank for the transaction of the Banking business of the Government, I do not understand why any sum should be paid on account of the expense of establishment. When no interest is paid by a Bank on the money in its hands, it is never the practice of Bankers to make any charge for the transaction of the business of their customers. Your average cash balance in the hands of the Bank will probably be not less than from one to two crores of rupees, the use of which, to the extent of 70,00,000 rupees, and the interest derived from the investment of the remainder in Government securities, would have amply repaid the Bank for the management of the Government account."

28. The answer is, that the sole obligation incurred by the State is to keep a minimum balance of 500,000 *l.* in the Bank, or pay interest if it is overdrawn; and that this of itself was not a sufficient compensation for taking from the Bank the use of at least 1,000,000 *l.* of capital through their note circulation, and at the same time calling on them to increase largely their premises and establishment on a five-years' agreement.

29. It is an entire mistake to suppose that the Bank would ever be able in practice to invest the Government balances largely beyond 700,000 *l.* in Government securities, or that they have any power of doing so without Government control.

30. The Bank had already a large investment of its own funds in Government securities; and although the Banking business of India is on such a limited scale that the Bank of Bengal has almost always experienced difficulty in employing its own resources, irrespective of the Treasury balance, still it could not largely increase its fixed investments without an almost certainty of losing more, if compelled to realize, than it had gained by the interest. Moreover, if at any moment the Government thought the investments were locking up more cash than was perfectly prudent, they could at once check it, by drawing out and transferring to the Mint all their own balance beyond 500,000 *l.*

31. In like manner the Government could at once check any attempt to draw out notes, for the sake of the ¾ per cent. commission, more than was a fair amount in the Issue Department, having regard to the active circulation.

32. This also meets the objection taken in paragraphs 21 and 22 of the Secretary of State's letter, that the general cash balances would not be available in case of need to assist the Currency Department in meeting a run for notes.

33. I have stated in my other minute that I consider 500,000 *l.* as the limit which should not, under present circumstances, be exceeded in investing reserves, with a Cur-

rency of 3,000,000 *l.* In case of a run, therefore, we should have to meet it, without any sale of securities.

1st. 2,500,000 *l.* of reserve in coin or bullion in the hands of the Currency Commissioner.

2d. The surplus of our own cash balances, now 17,650,000 *l.* in coin, beyond, say 10,000,000 *l.* wanted to carry on the business of the State, and possibly 500,000 *l.* or 600,000 *l.* of the surplus balance held by Banks, and invested in securities, which the Banks might have to sell at their own risk if the Government required it.

34. The Secretary of State does not appear to understand why a commission of ½ per cent. is paid to the Bank of Bengal for the note circulation opened through its agency, and almost seems to suppose that other parties getting notes for coin or bullion direct from the Currency Commissioner ought to receive a similar per-centage to be put on a footing of equality.

35. It is evident from this that the whole scope and nature of these arrangements is as yet entirely misunderstood.

36. The commission is paid—

1st. Because there is a certain amount of work to be done by some one, in finding counter-space, clerks, superintendence, correspondence with the public, and as to lost or stolen notes, forgeries, &c., which at home is done at a heavy expense by the Bank of England, and which it would cost the Government, at least 50,000 *l.* a year to do badly themselves, while they can get it better done for half the amount through the Bank.

2d. Because the main object of the policy of the Government, as shown in my other minute, was to ensure an uniform Note Currency for the whole Presidency, which could be attained in no other way than by an arrangement making it worth the while of the Bank to maintain considerable cash reserves at a number of provincial cities, and to run the risk of heavy expense in transferring coin rapidly from Calcutta to any branch where it was required.

3d. Because the establishment of branches of a leading Calcutta Bank, at provincial centres of business, was looked upon by the Government as one, and by no means an unimportant step, in the direction of the recent policy, which has striven to open out the resources of India, by extending communications, and creating a permanent tenure in land.

37. Of course we give no Commission to other parties who do no work for us, and I cannot understand how the Secretary of State, who, in his letter of 2d May 1861, contemplated the notes being brought into circulation "through the medium of Bankers, or indeed of other traders," would for a moment have doubted that we should have to pay such Bankers or traders for their services.

38. I have shown in my other Minute that this payment really costs the State nothing, inasmuch as we are enabled by means of it to invest enough of the Currency reserve to cover our expenditure which we could not have done otherwise; but this is a very minor consideration, compared with the paramount importance of securing for India the benefit of an uniform Note circulation.

39. The only attempt at a proof that the arrangement is too favourable for the Bank, is a quotation from the share list, showing that the price of the shares, after the agreement was ratified, rose about 12 per cent.

40. In the first place, it must be remembered that the price of the public funds has risen more than 12 per cent. since I first came to India, a year and a half ago, and that most of this rise has been during the last few months, or coincident with the rise in the Bank shares, since the result of the financial measures of April 1861 was confirmed by the continued increase of the cash balances. But, in the second place, there were special circumstances which kept the price of the Bank shares down until the agreement was actually concluded. The letter of the law gave the Bank no protection against the total loss of their Note circulation at 12 months' notice, which had been given, and was running on, without any compensation.

41. The shareholders could not tell to what extent their moral and equitable claims for compensation would be recognised, and the extent of the real danger they ran is best estimated by the Despatch which has now been received. It is evident that if the Bank had been dealt with as suggested by that Despatch, they would have lost the use of 1,000,000 *l.* of capital, and had to incur large expenditure for increased establishments, for no compensation whatever, except the use of a balance of 500,000 *l.* of Government deposit. Such an arrangement must have considerably reduced the dividend which the Bank had been accustomed to pay, and instead of rising on its announcement the shares must have fallen.

42. The escape, therefore, from a great danger, and the assurance of a settled position with good prospects of future development, coming at a time of almost unparalleled buoyancy in all securities, consequent on the restoration of the finances of India, account amply

amply for the rise in the shares, which, after all, are not at such a high premium now as the shares of other Banks which have no connection with the Government.

43. I cannot, however, dismiss this subject without expressing my total dissent from a policy which assumes, that in transactions between Governments and commercial undertakings their gain must be our loss.

44. On the contrary, a long experience in this class of transactions, both in a public and private capacity, has convinced me that there is no more fruitful source of extravagance than untimely parsimony.

45. I can say from personal knowledge that the refusal of the old East India Company to grant fairly liberal terms to private capitalists anxious to construct railways in India at their own risk, more than 25 years ago, was the main cause why a large extent of railway was not opened in India long before the mutiny, and why even the tardy construction of railways has only been attained by a system of absolute guarantee which virtually adds 50,000,000 *l.* to the national debt of India.

46. This applies with double force to an arrangement which is open to revision after five years. An error on the side of illiberality might have retarded for years the extension of European Banking with an uniform Currency throughout the vast and fertile provinces of the interior of India; while, if experience shows that the Bank got more than is sufficient to maintain a fair dividend (which I do not believe to be the case), the Government will infallibly reap the benefit of it in getting their work done cheaper at the end of the term.

47. I am not aware that there is any other point which requires an answer.

48. It is evident to me that the arrangements entered into here have never been properly understood at home.

49. I hope that Lord Canning may have been able before this time to remove the misconceptions which have prevailed, and that the restrictions on the extension of the arrangements which are working with so much advantage in Bengal, Bombay, and Madras to the North Western Provinces, the Punjab, and Central India, may have been withdrawn.

50. But if this is not the case, I earnestly trust that the Government of India will prefer to wait for a short time until the experience of the working of the arrangements already made with the Banks of Bengal, Bombay, and Madras, and the universally declared opinion of all classes in India, induce the Home Government to consent to the extension of the benefits of an uniform Currency to the rest of India, rather than take prematurely any step to establish Local Centres of Issue, which I am convinced will be found a most inconvenient expensive, and unpopular arrangement, and a fertile source of grave embarrassments for the future.

*S. Laing.*

16 May 1862.

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Financial Department.—No. 80 of 1862.

To the Right Hon. Sir *Charles Wood*, Bart:, M. P., Secretary of State for India.

Sir,

In continuation of our letter, No. 71, dated the 21st instant, forwarding copies of Mr. Laing's Minutes on Currency and Banking, dated 7th and 16th instant, we have the honour to forward to you copies of the correspondence specified in the accompanying list, relating to the tenders submitted by the Bank of Bengal, and the Agra and United Service Bank (Limited), for undertaking the Treasury and paper currency business in certain districts of the Punjab and North Western Provinces. Our intentions in respect of these tenders will be seen from paragraph 36 of Mr. Laing's Minute, dated 7th instant, but we have refrained from pronouncing any final decision until the receipt of a reply from you to the reference upon the general question.

We have, &c.

*Elgin & Kincardine.*
*R. Napier.*
*H. B. Harington.*
*W. Grey.*

Fort William, 31 May 1862.

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## Enclosures to No. 80 of 1862.

(No. 52.)

Financial Department, Fort William, 27 March 1862.

RESOLUTION.

THE arrangements with the Bank of Bengal having now been completed for the transfer of the Treasury business at Calcutta, Patna, Mirzapore, Benares, and Dacca, and for undertaking the agency of the Government currency in the Circle of Calcutta, the time has arrived when the Government desire to extend similar arrangements to the North-Western Provinces, including Oude and the Punjab.

Where there are no existing Banks, arrangements will be made with the Bank of Bengal for the establishment of branches, if that Bank is willing to undertake them on fair terms for the public, but at the following places, viz.: —

| | |
|---|---|
| Allahabad,<br>Agra,<br>Delhi, | Lucknow, and<br>Lahore. |

there are one or more existing Banks, or one or more Banks so connected with the districts that they might reasonably claim some preference if willing to do the Government business on terms as favourable for the public as other Banks.

It is impossible for the Government to reconcile the conflicting claims of such Banks, and at the same time do justice to the public interests, which require the currency business to be transacted by one and the same Government agency, within the same Circle, by any selection among those Banks, and accordingly His Excellency in Council resolves to invite tenders for undertaking the Treasury business at the above-mentioned places, under the following conditions:—

The cash at each Treasury will be divided into three parts. The first, a minimum balance, which the Government will undertake to keep in the hands of the Bank without interest, or to pay interest at 5 per cent. on any portion of it which may be for a time overdrawn. The second, the difference between such minimum and a maximum balance, the whole of which may be employed by the Bank, as they think fit, as an ordinary customer's deposit. The third to be appropriated strictly to Government purposes, and to remain under Government control.

The competition will turn on the lowest amount of minimum and maximum balances for which any Bank will undertake the business at a particular place.

The Government do not bind themselves to accept the lowest or any tender.

A preference, in case of equality, will be given to the oldest established Bank in the place, or any Bank in whose favour they may waive their claim.

Security may be required by the Government, if it thinks it requisite, for an amount equal to the cash balance placed at the control of the Bank.

Any Bank obtaining the Treasury business must bind itself to undertake, if required by the Government, a sub-agency from the Bank of Bengal for the Currency business, on terms to be settled, if the parties cannot agree, by arbitration; the Government naming an umpire if the arbitrators on each side cannot agree on one.

The term of the Agreement, both for the Treasury business and Currency, will be the same as that of the Bank of Bengal's Agreements with the Government, viz., for five years from the 1st March 1862.

Tenders will be received by the Financial Secretary to the Government of India up to the 30th April 1862, inclusive.

Banks proposing to tender and wishing for more detailed information may apply to the Financial Secretary at his office, where they may see copies of the clauses in the Agreements with the Bank of Bengal for establishing Branch Banks at Mirzapore, &c., which will be required as far as they may be applicable in other cases.

ORDERED, that the above Resolution be published in the "Calcutta Gazette," for general information.

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From *George Dickson*, Esq., Secretary and Treasurer, Bank of Bengal, to the Honourable *E. Drummond*, Secretary to the Government, Financial Department; dated 29 April 1862.

WITH reference to Resolution, No. 52, of the Financial Department, dated 27th March, inviting tenders for undertaking the business of the Treasuries at Allahabad, Agra, Delhi, Lucknow, and Lahore, I have the honour to acquaint you, by desire of the Directors, that they are prepared to establish branches in those several cities, and, subject to the prescribed conditions, to undertake the management of the Treasury business, on being assured of a minimum balance of one lac and 75,000 rupees, and a maximum balance of three lacs and 50,000 rupees for banking purposes, at each of the stations above-named.

On the 11th March, I had the honour of submitting, for the information of his Excellency the Viceroy in Council, a statement embodying the various grounds on which it appeared to

to the Directors that the Bank of Bengal had, in equity, a prior and exclusive claim to the support of Government, both in Calcutta and throughout the entire Presidency. At the same time I had also the honour of submitting the opinion of the Directors on the question regarded as one of public polity.

It is not within the compass of my present instructions to trouble his Excellency in Council with a repetition in detail of the views set forth in the above communication, but I would take leave respectfully to invite the attention of his Excellency in Council to its contents, as strictly bearing on the satisfactory adjustment of the future management of the district Treasuries. So important, however, do the Directors regard the subject, both to Government and the Bank, as well as to the public, that I have received instructions again to press generally on the notice of his Excellency the Viceroy in Council, the expediency of conceding to the Bank a priority of claims for conducting the Government business wherever Government may elect to delegate the duties to Banking Establishments. That the Bank with a uniform code of regulations for the guidance of their agents in conducting both the ordinary business of the Bank and the Government Treasuries, subject to the control of a local Board of Direction, in which the Government Directors form an influential element, possesses advantages over every other establishment in the Presidency, is, the Directors believe, admitted on all hands. That the extension of a system of Banking, based on well defined and sound principles, would prove highly beneficial to the future prosperity of India, is, the Directors believe, also beyond dispute.

The introduction of the Government Currency, and the near prospect of Calcutta being united by railway with the chief cities in the Presidency, offer a favourable opportunity for enabling the directors, with the co-operation of Government, to extend the sphere of the Bank's operations, and to establish in the Provinces a system of banking which will, the Directors believe, tend to more uniformity in the rate of internal exchange, and break down the usurious rates of interest, which, as a rule, are at present being levied from the public. It will, however, be apparent to his Excellency the Viceroy in Council, that the formation by Government of business relations with other Banks, in cities where the Directors are prepared to establish branches, would impede, if not actually prevent, the development of one great Bank, which, as a national institution, would, wherever its influence extended, exercise a beneficial influence on the monetary transactions of the country.

The Directors do not desire to draw a comparison between the nature of the business transacted by the Bank and other establishments, nor to dwell on the difficulties and complications likely to arise out of divided action in the management of the Government business, but they would respectfully recall to the recollection of his Excellency the Viceroy in Council, that there does exist a broad and well defined line of demarcation between the description of business undertaken by it and every other Bank in the Presidency. Confined under the provisions of the Charter to strictly Banking operations, the Bank of Bengal bears in its relations to Government a close analogy to the Bank of England. His Excellency the Viceroy in Council is aware that down to the year 1826, the Bank of England was limited in its operations to a narrow circle beyond the metropolis. The evils to public credit, followed in too many instances by a paralysis of trade, resulting from repeated and wholesale failure of provincial Banks, established and conducted on unsound principles through a series of years, led the Government of the day to solicit the Bank of England to establish branches at the principal towns throughout the entire country. These branches still exist from Portsmouth to Newcastle, and his Excellency the Viceroy is doubtless aware that they have been regarded not in the light of intruders, or opposition establishments, but were welcomed as, what in reality they have often proved to be, the only sure resource in times of distrust and commercial distress.

The Directors desire respectfully to recall those facts, from an apprehension that the present action of Government in inviting tenders for the management of the Treasury business, if followed out, will certainly tend to encourage the formation and establishment of small Banking Companies, with inadequate capital, and inexperienced Directors, who, however, knowing the importance and prestige attaching to a direct connexion with Government would, doubtless, undertake the Government business on almost any terms. The question is not one of competing issues, but one in which the Directors desire me respectfully to represent that the credit of Government is intimately bound up, inasmuch as Government, in the eye of the public, assumes, as it were, the office of sponsor for the stability of every Bank, with which it may form such enduring and important relations.

The Directors are anxious to convey to his Excellency in Council the assurance, that in their desire to extend the sphere of the Bank's influence and usefulness with the aid and countenance of Government, they do not calculate on any great pecuniary advantages to the shareholders. The Directors have never hesitated, however, to acknowledge that they do attach great importance to the exclusive connexion which has so long subsisted between Government and the Bank. This privilege, the Directors believe, every Exchange Bank in Calcutta (with probably a single exception), and the public generally, acknowledge as fairly belonging to the Bank of Bengal, not only in this city but generally throughout the Presidency. Although the Directors conceive that the probable profits likely to arise from the employment of the Treasury balances above stipulated for, are not more than sufficient to warrant the Bank in undertaking the establishment of so many branches, yet, for the reasons now and formerly urged on the attention of Government, and at the risk of even encountering direct loss, I am to add that, should Government deem it necessary, the Directors are prepared so to modify the terms of the above offer as to meet the views of Government, if at all possible.

From the Officiating Manager, Agra and United Service Bank, Limited, to the Secretary to the Government of India, Financial Department, dated Calcutta, 29 April 1862.

WITH reference to notification, No. 52, of the 17th March 1862, I am instructed by the Local Directors of this Bank to tender for the Government Banking business at Allahabad, Agra, Lucknow, Delhi, and Lahore.

I append a memorandum of the average monthly cash balances for five years from 1857 to 1861, inclusive, communicated to me last January, on which and on the agreement with the Bank of Bengal for establishing a Branch Bank at Mirzapore, my tender is mainly based.

I understand that when the cash at any of the respective Treasuries exceeds or is equal to the amounts named as the maximum balance, the Bank whose tender is accepted will be allowed to use for its banking purposes the Government funds to the extent of the maximum balance named, and when the cash at any one Treasury is lower than the amount named, interest is to be charged on the difference between the amount in cash and the minimum balance by the Bank.

On this understanding I submit the following as the balances, for the use of which this Bank will undertake the transaction of the Government business.

| | Maximum. | Minimum. |
|---|---|---|
| | *Rs.* | *Rs.* |
| Allahabad | 3,75,000 | 3,00,000 |
| Agra | 2,50,000 | 2,00,000 |
| Lucknow | 1,75,000 | 1,50,000 |
| Delhi | 3,00,000 | 2,50,000 |
| Lahore | 2,50,000 | 2,00,000 |

This Bank is fully prepared to lodge Government Securities of the value of the balances placed at its control, and to submit statements of the affairs of the Bank generally, and of the branches employed by Government in particular.

This Bank is also willing, if required by Government, to undertake a sub-agency for the currency business under the Bank of Bengal.

In the Agreement with the Bank of Bengal for establishing a Branch Bank at Mirzapore, a special allowance of 2,700 rupees annually is made. This allowance, I am informed, is the extent of the saving effected by Government in handing over the Treasury. No reference is made to this subject in the Resolution calling for tenders, but I presume it will not be lost sight of at places like Allahabad, where the Treasury business is very extensive. I desire, however, to leave any such allowance to the favourable consideration of Government.

I notice the Government will give a preference in cases of equality to the oldest established Bank, and I would specially bring forward the claims of this Bank, the pioneer of banking in the Upper Provinces. It was established at Agra in the year 1833, and was incorporated by Royal Charter in 1857. It was subsequently registered under the English Joint Stock Banks Limited Liability Act, thus limiting the liability of the shareholders to the full amount of their shares. The subscribed capital is 2,000,000 *l.* (two millions sterling), of which one-half or (one million) 1,000,000 *l.*, is paid up. This capital is fortified by a reserve fund of 200,000 *l.* I need hardly refer to the times, the panics, and the mutiny through which this Bank has passed, nor the success which has attended its operations. I may, however, mention that whilst it is the oldest and largest Bank at Agra, and exercises a wide influence in the Upper Provinces, it is the only Bank at Lahore and Umritsur, and at those places makes special claims for the business of Government, under paragraph three of the Government Memorandum, dated 20th March 1861, copied at foot.

In the list of places named for tenders, Umritsur is not included, but I am prepared to submit proposals for conducting the Treasury business at that place.

APPENDIX.

EXTRACT from Statement showing Monthly Average Cash Balance for Five Years, from 1857 to 1861, dated Fort William, Financial Department, 28 January 1862.

| | *Rs.* |
|---|---|
| Allahabad | 25,62,987 |
| Agra | 15,43,210 |
| Lucknow | 11,70,173 |
| Delhi | 16,17,637 |
| Lahore | 12,65,550 |

Copy of Clause 3 of Government Memorandum of 20 March 1861.

As regards the establishment of Branch Banks, the Government will in each Presidency prefer dealing with the Presidency Banks when the ground is unoccupied. But when other Banks have been established before the Presidency Bank thinks fit to establish a Branch, the Government considers that they will have a preferable claim on equal terms, and finding proper security.

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From the Officiating Manager, Agra and United Service Bank, Limited, to the Honourable *E. Drummond*, Secretary to Government, Financial Department, No. 684, dated Calcutta, 23 May 1862.

As the Honourable Mr. Laing left by the Mail Steamer this day for England, and, I presume, a decision must have been made before his departure, in regard to the tenders for the Treasury business at Allahabad, Lucknow, Agra, Delhi, and Lahore, I shall feel particularly obliged by your giving me any information you can, as to the offer made by this Bank.

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From the Honourable *E. Drummond*, Secretary to the Government of India, Financial Department, to the Officiating Manager of the Agra and United Service Bank, Limited, Calcutta, No. 3636, dated 31 May 1862.

I am directed to inform you, in reply to your letter, No. 684, dated 23rd instant, that the Governor General in Council has received your tender of the 29th ultimo, but is precluded from pronouncing a decision upon it, until the receipt of a reply from the Right Honourable the Secretary of State for India, to a reference made to him on the subject.

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From the Honourable *E. Drummond*, Secretary to the Government of India, Financial Department, to the Secretary and Treasurer of the Bank of Bengal, No. 3637, dated 31 May 1862.

I am directed to acknowledge the receipt of your letter of the 29th ultimo, submitting a tender for undertaking the Treasury business at Allahabad, Lucknow, Agra, Delhi, and Lahore, and to inform you in reply that the Governor General in Council is precluded from pronouncing a decision upon it until the receipt of a reply from the Right Honourable the Secretary of State for India, to a reference made to him on the subject.

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Home Department.—Legislative.—No. 12 of 1862.

To the Right Honourable Sir *C. Wood*, Bart., G. C. B., Secretary of State for India.

Sir,

In conformity with the provisions of Section XLI. of the Indian Councils Act, I have the honour to forward to you an authentic copy of the *law noted on the margin, which has been passed by the Council of the Governor of Fort Saint George, and to which I have this day signified my assent.

* Act V. of 1862, an Act for regulating the Bank of Madras.

I have, &c.

*Elgin & Kincardine.*

Fort William, 14 June 1862.

## ACT No. V. of 1862.

Passed by the Governor of Fort St. George in Council.—(Received the assent of the Governor General on the 14th June 1862.)

### AN ACT for Regulating the Bank of *Madras*.

**Preamble.**

WHEREAS the Governor of Madras in Council has, pursuant to the provisions of Act IX. of 1843, given 12 months' due notice to the Bank of Madras; that the provisions of the said Act, as regards the power of the Bank to issue promissory notes under section XXXIII. of that Act, would be modified, and it is expedient that the provisions of the said Act, and of Act XXI. of 1854 (to amend the law relating to the several Banks of Bengal, Madras, and Bombay), and of Act XXVII. of 1855 (to enable the Banks of Bengal, Madras, and Bombay to transact certain business in respect of Government securities and shares in the said Bank), as regards the said Bank of Madras, should be re-enacted, with certain amendments and modifications hereinafter contained. It is hereby enacted as follows:—

**Acts IX. of 1843, XXI. of 1854, and XXVII. of 1855, are repealed.**

1. Act IX. of 1843, except in so far as it repeals any prior Charter, Regulation or Act, and except as to any act or offence done or committed, or any liability incurred before this Act shall come into operation, and Acts XXI. of 1854, and XXVII. of 1855, so far as they severally relate to the Bank of Madras, are repealed from and after the coming into operation of this Act.

**Bank of Madras shall continue to be a corporation.**

2. From and after the coming into operation of this Act, and notwithstanding the repeal of the said Act IX. of 1843, the present and future proprietors of the capital stock of the Bank of Madras shall continue to be a body corporate, by the name of the Bank of Madras with perpetual succession, and shall continue to possess and enjoy all the rights, privileges, and immunities incident by law to a corporation aggregate.

**Rights and liabilities of Bank of Madras preserved.**

3. All property and securities for property, claims, and demands whatsoever, now vested in, or held by the said Bank of Madras, under and by virtue of the said Act IX. of 1843, shall, from and after the coming into operation of this Act, be vested and continued in the said Bank of Madras, as and being a body corporate, under and by virtue of this Act as aforesaid, and the said bank of Madras, as such body corporate, shall be subject to all debts, demands, claims, and liabilities outstanding against the said Bank at the time of this Act so coming into operation, and no suit or proceeding at law or in equity then pending, shall cease or abate, in consequence of the repeal of the said Act IX. of 1843, or of the continuance of the said Bank by virtue of this Act.

**Suits not to abate.**

**Corporate powers of Bank.**

4. The said Bank so continued as aforesaid, shall and may sue and be sued by its corporate name aforesaid, and shall and may have and use such common seal as the Directors of the said Bank shall from time to time appoint, and shall be competent as such body corporate to acquire and hold, either absolutely or conditionally, for a term, or in perpetuity, any description of property whatever, and to transfer and convey the same.

**Capital to continue.**

**Shares to be divisible.**

5. The existing capital of the said Bank, now consisting of 3,000 shares of 1,000 rupees each, shall continue to be the capital of the said Bank, but each of such shares shall, from and after the coming into operation of this Act, be divisible into half and quarter shares, and such capital shall be subject to such increase as next hereinafter mentioned.

**Directors may add to capital.**

6. It shall be lawful for the Directors of the said Bank for the time being, from time to time, as and when they shall deem it expedient so to do, and on such previous notification as they may deem sufficient in that behalf, to increase the said capital, and for that purpose to make such orders and directions for the opening of subscriptions towards such increase of capital by the proprietors of the Bank for the time being, as to them may seem fit, and also to allow to the said proprietors such period to fill up the subscription as to them, the said Directors, shall seem meet, and also to prescribe in what manner and form the said proprietors shall subscribe and pay into the said Bank, the proportions of new capital which such proprietors may respectively desire to subscribe, and also to make such orders and directions as to them, the said Directors, may seem fit, for the disposal and allotment of the amount of new capital that may not be subscribed for, and paid up by proprietors for the time being, in the manner and form so prescribed. Provided always that the capital of the said Bank, including any increase therein that may be made under section XXXVI. of this Act, shall not in the whole exceed six thousand (6,000) shares of 1,000 rupees each.

**Not to a greater extent than 6,000 shares of 1,000 rupees each.**

**Shares may be exchanged for consolidated stock.**

7. It shall be lawful for any proprietor of any 1,000 rupees share or shares, or of any half or quarter share or shares, in the existing capital or in the new capital so to be created as aforesaid, at any time and from time to time, to surrender such share or shares, or half

or

or quarter share or shares, or any of them, to the Directors of the Bank for the time being, and to demand and receive from the Bank in lieu thereof consolidated stock to the like amount as represented by the share or shares, or half or quarter share or shares so surrendered; and in like manner any proprietor, or other person subscribing for any portion of the new or increased capital under the provisions hereinbefore contained, may at his option subscribe for shares or for consolidated stock, or partly for shares and partly for stock.

Increase capital may be subscribed for in shares or stock.

8. The consolidated stock aforesaid shall be transferable (subject to the provisions hereinafter contained with respect to transfers) in any amount or sum not less than 250 rupees, and the holders of any shares or share, or half or quarter shares or share, or of any consolidated stock, shall be a proprietor of and interested in the capital of the Bank to the extent of the amount of the shares, or half or quarter shares, or stock so held by him.

Stock to be transferable in sums not less than 250 rupees.

9. A certificate signed by three Directors of the said Bank shall be delivered to the proprietor of any share, or half or quarter shares, of the capital of the said Bank, upon demand made by such proprietor; and any proprietor of more than one such share or half or quarter share may at his option demand a certificate for each, or one certificate for all his shares; and a receipt shall in like manner on demand be delivered to the proprietor of any stock, and any proprietor of stock may at his option demand one receipt for the whole of the stock, or separate receipts for any portion of the stock so held by him.

Share certificates.

Stock receipts.

10. The proportion of the capital of the said Bank held by any proprietor, whether held as shares or as consolidated stock, shall be of the nature of personal estate of such proprietor.

Stock and shares to be personality.

11. Shares in the said capital shall be transferable by endorsement to be made on the certificates thereof respectively under the hand of the proprietor, of his attorney duly authorised, which endorsement shall specify the name of the person or persons to whom the said transfer shall be made; and consolidated stock shall be transferable by a deed of transfer executed by the proprietor or his duly authorised attorney, and in the form set forth in Schedule A. hereto annexed, provided always that no endorsement of a share certificate or deed of transfer of stock shall be effectual to transfer any interest in the share or stock until such endorsement or deed of transfer shall have been registered at the Bank of Madras, and such registration shall have been noted on such endorsement or deed of transfer under the hand of an officer appointed for that purpose by the Directors of the said Bank. Provided also that every transfer of shares or stock by endorsement or deed of transfer as aforesaid shall be liable to stamp duty as a transfer of shares under Clause 19 of the Schedule A. to Act XXXVI. of 1860, or any future Act imposing a stamp duty on transfer of shares.

Mode of transferring shares and stock.

Transfer must be registered.

Stamp duty on transfer.

12. The registered proprietors for the time being of the shares and stock into which the capital of the said Bank shall be divided, and no other persons, shall be members of the body corporate hereby continued, and the Bank shall not be bound or affected by notice of any trust to which any share or stock may be subject in the hands of the registered proprietor thereof; and when any share or stock is vested in more than one registered proprietor, such proprietors shall, as between themselves and the Bank, be considered as joint tenants, with benefit of survivorship. The shares and stock registered in the name of the Governor in Council shall be deemed to belong to the Secretary of State for India in Council.

Registered proprietors only to be members of Bank.

Notice of trust not to bind the Bank.

13. The business of the said Bank shall be managed by nine Directors, of whom, so long as the Government of Madras shall hold shares or stock in the said Bank, or so long as any such arrangement or agreement with the Government, as in Section XXIX. of this Act mentioned which has been already entered into or may hereafter be entered into shall remain in force, three shall be appointed and removable by the Governor of Madras in Council, and the remaining six Directors, and in case the Government shall cease to hold shares or stock in the said Bank, and no such arrangement or agreement as aforesaid shall remain in force, all the Directors shall be elected and be removable by vote of a general meeting of the proprietors,

Nine Directors.

Mode of their appointment or removal.

14. The persons who, at the time of this Act coming into operation, shall be Directors of the said Bank, shall continue to be Directors of the said Bank, subject to removal as aforesaid, and to the provisions hereinafter contained,

Existing Directors to continue such.

15. Two of the six Directors elected, and to be elected by the said proprietors, shall in rotation go out of office on the second Monday in the month of December in every year, on which day a general meeting of proprietors shall be held for the election of two Directors in their stead; provided always, that any Directors going out by rotation as aforesaid shall not be re-eligible at the election which takes place thereupon, provided also that the rotation existing at the time of this Act coming into operation shall continue to be observed.

Directors to go out by rotation.

Their places supplied by election.

16. No person shall be eligible or qualified to serve as a Director by election of the proprietors who shall not be a proprietor in his own right of unincumbered shares or stock to the amount of 6,000 rupees at the least of the capital of the said Bank, or who shall be a Director or agent or manager of any other Joint Stock Bank or Branch Bank within the town

Directors must be owners of stock or shares to amount of 6,000 rupees.

No director or manager of a bank to be eligible.

town or suburbs of Madras, or who shall be a partner of or managing agent for, or shall hold a power of procuration from any such Director, agent or manager. No two persons, who shall be partners of the same mercantile firm, or one of whom shall be the general agent of or shall hold a power of procuration from a mercantile firm of which the other is a partner, shall be eligible or qualified to serve as Directors at the same time.

**No two partners in the same mercantile firm.**

**Mode of filling up vacancies in the Directors.**

17. In case of the death, resignation, or absence from Madras for more than three calendar months, or disqualification under the preceding section, or removal as aforesaid, of any Director elected or to be elected by the said proprietors, the other Directors shall within 15 days after such death, removal, resignation, absence or disqualification, call a special general meeting of the proprietors, for the purpose of choosing a successor to the director so dead, resigned, absent, disqualified or removed, and such successor shall come into the same place in the rotation above-mentioned in which the deceased, removed, absent or disqualified Director was.

**Voting at meetings of proprietors.**

18. At general meetings of the proprietors, whether ordinary or special, every election and other matter submitted to the meeting shall be decided by a majority of votes, and no person shall be allowed to vote at any such meeting in respect of any share or stock acquired by transfer, unless such transfer shall have been completed and registered six months at the least before the time of tendering such vote.

**Mode of calculating votes.**

19. At all such general meetings, the proprietors shall vote according to the following scale:

2 Shares of 1,000 rupees each, or consolidated stock amounting to 2,000 rupees, shall entitle to 1 vote.
6 Shares of 1,000 rupees each, or consolidated stock amounting to 6,000 rupees, shall entitle to 2 votes.
12 Shares of 1,000 rupees each, or consolidated stock amounting to 12,000 rupees, shall entitle to 3 votes.
25 Shares of 1,000 rupees each, or consolidated stock amounting to 25,000 rupees, shall entitle to 4 votes.
40 Shares of 1,000 rupees each, or consolidated stock amounting to 40,000 rupees, shall entitle to 5 votes.
60 Shares of 1,000 rupees each, or consolidated stock amounting to 60,000 rupees, shall entitle to 6 votes.

**Joint proprietors only to have a single vote.**

And no proprietor shall be entitled to more than six votes; provided also, that when any share or stock shall be held by joint registered proprietors, the proprietor whose name shall appear first in the register as one of the holders of such share or stock shall alone be entitled to vote in respect thereof, and to receive notices as if he were sole proprietor thereof.

**Government of Madras to vote by proxy.**

20. It shall be lawful for the Governor of Madras in Council, so long as the Government shall hold shares or stock in the said Bank, or so long as any such arrangement or agreement with the Government as in Section XXIX. of this Act mentioned shall remain in force, to give a proxy in writing, signed by one of the Secretaries to Government, to any person whom the Governor of Madras in Council may appoint to attend any general meeting of the proprietors, and the holder of such proxy shall be entitled to give six votes upon all matters or questions that may be submitted to such meeting, excepting upon the election or removal of such Directors as are elected by the said proprietors.

**Proprietors may vote by proxy, general or special.**

21. Any proprietor entitled to vote at any general meeting may give a proxy in writing, either general or special, under his hand, or the hand of his attorney duly authorised, to any other proprietor, and such proxy shall be produced at the time of voting, and shall entitle the person, to whom it is given, to vote on such matters as shall be authorised by the tenor of such proxy.

**Existing proxies to continue.**

Proxies existing and in force at the time of this Act coming into operation shall continue in force, anything herein contained notwithstanding.

**Directors to choose a president.**

22. At the first meeting of the Directors in every year, they shall choose a president from among themselves; and whenever the office of president shall become vacant, they shall, at their next meeting, choose a successor for the remainder of the current year;

**Senior Director to be vice-president.**

and during any vacancy, or in the absence of the president, the senior Director in rotation shall be vice-president for the time, and such president or vice-president, shall have the casting vote in all cases of an equal division of votes at meetings, either of Directors or proprietors.

**Mode of executing bank documents.**

23. The persons for the time being holding the office, or duly authorised to discharge the duties, of secretary and treasurer, or of secretary alone, or of deputy secretary of the said Bank, are hereby severally empowered, for and on behalf of the said Bank, to endorse and transfer Government securities, railway share certificates, and bonded warehouse warrants, and other documents, of title in and to goods standing in the name of the said Bank, and to draw, accept, and endorse bills of exchange, bank post bills, and letters of credit, in the current and authorised business of the Bank, and to sign all other accounts, receipts, and documents connected with such business.

**Seal to be affixed in presence of three Directors, who shall also sign.**

24. The seal of the Bank shall not be affixed to any instrument except in the presence of three Directors, who shall sign their names to the instrument in token of their presence,

and

and such signing shall be independent of the signing of any person who may sign the instrument as a witness, and unless so signed by three Directors such instrument shall be if no validity.

25. The Directors for the time being shall have power to appoint such officers, clerks, and servants as may be necessary to conduct the business of the said Bank, and to remove any officer, clerk, or servant of the said Bank, and to fix the salaries of such officers, clerks, and servants.

**Directors to appoint, remove, and fix salaries of servants.**

26. No person who shall hold the office of secretary and treasurer, deputy secretary, head accountant, or head shroff of the said Bank, shall directly or indirectly engage in any other commercial business, either on his own account individually or jointly with others, or as agent for any other person or persons, or act as a broker; and every person appointed to any one or more of the said offices shall give such security to the Directors for the faithful discharge of his duty as they shall think sufficient; provided that the security to be given by any secretary or treasurer shall be for not less than 50,000 rupees.

**Secretary, &c., not to trade.**

**And to give security.**

27. The business of the said Bank of Madras shall consist of, and in lending on Government securities, and shares in railway or other companies, the interest whereon shall have been guaranteed by Government, and on goods, wares and merchandize, not of a perishable kind; in drawing, discounting, buying, and selling bills of exchange and other negotiable securities, payable in Her Majesty's Indian territories, and not elsewhere, in granting post bills, payable in Her Majesty's Indian territories, to order or otherwise than to bearer on demand, in buying and selling gold and silver bullion, in making investments in securities of the Government of India, or in loans or bonds secured by the Imperial Parliament on the revenues of India, or in debentures of railway or other companies guaranteed by the Government of India, in receiving deposits, in opening cash accounts and credits, in transacting pecuniary agency business on commission, and in selling property or securities deposited in the Bank as security for loans and not redeemed, or property or securities recovered by the Bank in satisfaction of debts and claims.

**Business of the Bank.**

28. In addition to drawing, buying, and selling bills of exchange, and granting post bills payable in India, it shall be lawful for the Bank to draw bills of exchange, and grant letters of credit payable out of India, for the use of their constituents in the Agency Department, and to buy bills of exchange payable out of India for the purpose of remitting funds to meet such bills or letters of credit.

**Bank may draw bills payable out of India for their constituents.**

29. It shall also be lawful for the said Bank, through their Directors, under any arrangement or agreement with the Governor of Madras in Council, on behalf of the Secretary of State for India in Council, to take over and transact any part of the business of or hitherto carried on at the General Treasury, or in the Departments of the Accountant General at Fort Saint George, and to superintend, manage, and become agents for the issue, payment and exchange of Government Currency Notes under Act XIX. of 1861, or any Act which may hereafter be passed in relation to the Paper Currency of the Government of India, and to pay the amount of such Government Currency Notes in silver to the holders thereof on presentation and demand, and the Directors of the said Bank shall have power from time to time to arrange and settle with the Governor of Madras in Council as to the terms of remuneration on which such business in relation to the General Treasury, Accountant General's Department and Government Paper Currency shall be undertaken by the said Bank. And also as to the examination and audit, from time to time, of the accounts and affairs of the Bank on behalf of the Governor of Madras in Council.

**Bank may undertake business of Government Treasury.**

**And of Currency Department.**

**Directors may arrange as to terms of remuneration.**

**And as to audit of accounts.**

30. The Directors of the said Bank shall not make any loan or advance on shares or consolidated stock of the said Bank, nor on mortgage, nor in any other manner, on the security of any lands, houses, or immovable property, or the title-deeds relating thereto.

**No advances to be made on Bank stock or shares, or on immovable property.**

31. The Directors of the said Bank shall cause the books of the said Bank to be balanced on the 30th day of June and the 31st day of December in every year, or at such other periods as shall from time to time be determined by the Directors, and a statement of the balance at every such period, signed by a majority of the Directors, shall be forthwith transmitted to one of the secretaries to the Governor of Madras in Council, and the Governor of Madras in Council, so long as the Government shall hold shares or stock in the said Bank, or so long as any such arrangement with the Government, as in Section XXIX. of this Act mentioned, which has already been or shall hereafter be entered into shall remain in force, shall at all times be entitled to require of the said Directors any information touching the affairs of the Bank, and the production of any documents of the said Bank, and the Directors shall comply with every such requisition.

**Books to be balanced twice a year.**

**Statement of balance transmitted to Government.**

**Government may require information.**

32. An account of the profits of the said Bank shall be taken half-yearly on the 1st day of January and the 1st day of July in every year, or at such other periods as may from time to time be determined on by the Directors, and a dividend thereof shall be made as soon thereafter as conveniently may be, and the amount of such dividend shall be determined by the Directors of the said Bank, on the basis of the actual profits made by the

**Half-yearly accounts and dividends.**

Reserve fund.

the said Bank during the six calendar months preceding the day up to which such half-yearly account shall be taken; provided that the said Directors shall, in their discretion, have power to set apart such portion of the said profits as they may deem expedient to be added to the Reserve Fund against contingencies.

Yearly meeting of proprietors.

33. On the first Monday of the month of August in every year, a General Meeting of the Proprietors of the Capital of the said Bank shall be held, at which the Directors of the said Bank shall submit to the said Proprietors a statement of affairs of the said Bank, made up to the preceding 30th of June, or to such other day as may be determined on by the Directors.

Auditors to be elected by proprietors.

34. At the first general meeting of the Proprietors of the Bank, held after the coming of this Act into operation, one or more Auditors for the current year may be elected by a majority of votes at such meeting; and, in like manner, an Auditor may be elected at the first general meeting of the Proprietors in each current year.

Mode of convening special general meetings.

35. Any three of the Directors, or any ten Proprietors of the said Bank may, at any time, convene a Special General Meeting of the Proprietors, upon giving 15 days' previous notice of such meeting, and of the purpose for which the same shall be convened, as well to the Directors of the said Bank for the time being, as also by public advertisement in the Official Gazette of Madras.

Branch Banks and agencies.

36. It shall be lawful for the Direetors of the said Bank, with the sanction of the Governor of Madras in Council, from time to time to form business agencies, and to establish branch Banks at such places as they may deem advantageous to the interest of the Bank, with full power to the said Directors to appoint during pleasure such agents, clerks and servants, and either with or without local Boards of direction or management, and under such regulations, restrictions and conditions as to them may seem fit, and from time to time to vary such regulations, restrictions and conditions, and the said agents and other officers shall give such security for their good behaviour as the Directors may require, and it shall also be lawful for the Directors, from time to time, under any arrangements or agreements with the Governor of Madras in Council on behalf of the Secretary of State for India in Council, to provide for the conduct and transaction by any such Branch Bank or Banks of any part of the business of or hitherto conducted at the local Government Treasuries and for the superintendence, management and agency of the local issue, payment and exchange of any Goverament currency notes. Provided that such arrangements, and all regulations and directions given by the said Directors to the agents or managers of such Branch Banks touching the management thereof, or the description of business to be undertaken thereby, shall not contain anything inconsistent with or contrary to the provisions of this Act, or of any byelaw, regulations or order which may be in force for the time being under the 40th Section of this Act,

Directors may enter into arrangements with Government for taking up local treasuries.

Business of other banks in India may be purchased.

37. It shall be lawful for the Directors of the said Bank from time to time to enter into negotiation for, and to purchase and take over the capital, assets, and business of any other Bank within Her Majesty's Indian territories, of which the capital is divided into shares, and to grant and allot to the shareholders or proprietors in such Bank in full of their respective right, title, and interest in such capital, assets, and business, a sufficient number of shares in the capital stock of the said Bank of Madras (which number shall be determined by the Directors), and for that purpose to increase the capital stock of the said Bank by the issue of such number of shares as may be so determined on. The shareholders or proprietors of the purchased Bank, to whom such new shares shall be allotted, shall be proprietors of the Bank of Madras, and be in all respects in the same position as if they had respectively subscribed and paid for the shares so allotted to them. Provided always that the business so purchased shall, after the purchase, be carried on by the said Bank of Madras, with and subject to the several restrictions contained in this Act.

Shareholders of such Bank to be shareholders of Bank of Madras.

Dividends of proprietor indebted to Bank may be withheld;

And registry of transfer of shares refused;

And shares sold six months after notice.

38. If any of the said proprietors shall become indebted to the said Bank, it shall be lawful for the said Bank to withhold payment of the dividends on the share or shares, or consolidated stock of such proprietor registered as his own property, and not held in trust or as executor or administrator, until the payment of such debt, and to apply such dividends towards payment thereof; and after demand and default of payment, and notice in that behalf given either to such proprietor or his constituted agent, or by public advertisement in the Official Gazette of Madras, it shall be lawful for the said Bank to refuse registration of the transfer of any such share or shares or stock of such proprietor, until payment of such debt; and if the same shall remain unpaid for the space of six calendar months after such notice, to advertise for public sale, and to sell such share or shares or stock, or so many or so much as may be necessary, and to apply the proceeds thereof towards payment of such debt, with interest at the rate of six per cent. per annum, paying over the surplus, if any, to such proprietor or to his lawful representatives.

Representative of deceased shareholders must take

39. When by the death of any proprietor his share or shares or stock shall devolve on his legal representative, the Bank shall not be bound to recognise any legal representative

tive of such deceased proprietor, other than a person who has taken out probate to the will or letters of administration to the estate of such deceased proprietor, from the Supreme Court of Judicature, at Madras, or who has obtained a certificate in respect of the estate of such deceased proprietor, under Act XXVII. of 1860, describing such shares or stock, from Court of competent jurisdiction within the Presidency of Madras.

out probate, administration, or certificate.

40. It shall be lawful for the Directors for the time being of the said Bank to make and pass bye-laws, regulations, and orders, for the good government of, and in reference to the mode of conducting the business of the Bank, and from time to time to modify, rescind, and vary such bye-laws, regulations, and orders; and it shall further be lawful for the proprietors of the said Bank, at any general meeting, whether ordinary or special, to pass resolutions, and to frame and from time to time to rescind and vary bye-laws, regulations, and orders for the direction of the affairs of the Bank; and the same shall be binding on the Directors and Officers and on the Proprietors of the Bank, until rescinded or varied at any subsequent General Meeting; provided always, that no bye-law, regulation, or order, or alteration or rescission of any bye-law, regulation, or order, whether passed by the Directors, or by the proprietors at a general meeting, shall be of any validity except in so far as the same shall be consistent with the provisions of this Act, and shall be approved by the Governor of Madras in Council, such approval to be signified in writing, under the hand of one of the Secretaries to the said Governor of Madras in Council.

Directors may pass bye-laws;

Which may be dealt with by general meeting of proprietors.

Must be sanctioned by Government.

41. In the construction of this Act words in the singular number shall include the plural, words in the plural shall include the singular, and words in the masculine gender shall include the feminine, except where the contrary appears by the context.

Interpretation clause.

42. This Act shall be deemed to have come into operation on the 1st of March 1862.

Act to operate from

SCHEDULE (A.)

I, *A. B.*, of do hereby transfer to *C. D.*, of consolidated stock of the Bank of Madras, to the amount of rupees, standing in my name, to hold unto the said *C. D.*, his executors, administrators, representatives, or assigns, subject to the conditions on which I hold the same at the time of the execution hereof.

Date the day of

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Financial Department.—No. 99 of 1862.

To the Right Hon. Sir *Charles Wood*, Bart., M.P., Secretary of State for India.

Sir,

IN continuation of our Despatch in this department, No. 51, dated the 25th of March last, we have the honour to transmit herewith for your information a copy of our proceedings noted in the margin,* from which it will be seen that our arrangements with the Bank of Bengal regarding the establishment of branch banks at Mirzapore, Benares, Patna, Dacca, and Rangoon, settled previous to the receipt of your financial Despatch, No. 55, dated the 8th April last, have now been finally concluded.

* Financial Department Notifications, Nos. 105 and 106, dated 24th ult., and No. 109, dated 1st inst.

2. The Madras and Bombay Bank charters have not been passed into law yet. We understand, from a letter received from the Government of Bombay, that the draft of the Bombay Bank Charter has been submitted to you by that Government for orders.

We have, &c.
*Elgin & Kincardine.*
*R. Napier.*
*H. B. Harington.*
*W. Grey.*

Fort William, 3 July 1862.

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## Enclosures to No. 99 of 1862.

Financial Department, Fort William, 24 June 1862.

(No. 105.)

NOTIFICATIONS.

NOTICE is hereby given, that the Treasuries of the Secretary of State for India in Council, and of Her Majesty's Indian Government at the stations of Patna and Dacca, shall, from and after the 1st day of July 1862, be established at the Branch Banks opened at those stations by the Bank of Bengal. All payments to be made by or to the Secretary of State in Council, or to the Government of India, or the Government of Bengal, at the Treasuries of Patna and Dacca aforesaid, shall and may from and after the above-mentioned date be made at the said Branches of the Bank of Bengal.

The terms on which the business of the said Treasuries, and the Government Paper Currency shall be conducted by the Branches of the Bank of Bengal are contained in the following:—

AGREEMENT WITH THE BANK OF BENGAL.

ARTICLES OF AGREEMENT made the second day of May in the year of our Lord 1862, between the Secretary of State for India in Council of the one part and the Bank of Bengal of the other part: Whereas, by the Act XIX. of 1861 of the Legislative Council of India, certain provisions have been made for the establishment of a paper currency and the payment of the Government promissory notes to be issued in virtue of the said Act, and the Governor-General in Council was thereby authorised to establish in British India circles of issue, and in each circle to appoint some one city or town to be the place of issue of notes; and by the said Act it was declared lawful for the Governor-General in Council, from time to time, by rules to be published in the "Government Gazette," to make such arrangements through any officers of Government, or with any persons, banks, or bodies corporate as might be required to regulate and facilitate the issue and payment of the said promissory notes: And whereas, by a Memorandum of Agreement bearing date the twenty-sixth day of September 1861, and made between the parties hereto, certain terms were agreed to, having for their object the transfer to the said Bank of the business of the Government Treasury at Fort William, and the superintendence and management by the said Bank for the Government of India of the issue of the Government paper currency for the circle of issue of Calcutta; and it was thereby, amongst other things, agreed that, if at any time during the continuance of that Agreement the said Bank should establish a branch office at any town or place other than Calcutta, and the Governor General of India should offer to the Directors of the said Bank for the time being, and they should, on behalf of the said Bank, accept the business of bankers to the Government of India for the district or locality within which such branch should be established, or the business of issuing and circulating the Government paper currency within such district or locality, then, and in every such case, the business so arranged to be taken up and performed by the said Bank should be carried on under and subject to the provisions of that Agreement, and on the basis of certain clauses cited in the margin thereof, being the third and fifth paragraphs of the Government Memorandum of the twentieth of March 1861, relating to the establishment of such Branch Banks, except in so far as the provisions of that Agreement, or of the said clauses, might be modified or altered by any special Agreement which the parties thereto might enter into in reference to the business so to be carried on at the particular Branch Bank: And whereas the Bank of Bengal are about to establish a Branch Bank at (amongst other places) Patna, and the Governor General in Council has offered to the said Bank (who have accepted the same) the business of bankers to the Government of India for the district of Patna, and the terms on which such business shall be performed have now been finally settled and arranged between the Governor General in Council (acting in the premises on behalf of the said Secretary of State) and the Directors of the said Bank: Now, these presents witness that, for the purpose of carrying out the said arrangement, and in consideration of the payments and covenants hereinafter respectively mentioned and contained, and by and on the part of the said parties to these presents respectively to be paid and performed, each of them, the said Secretary of State in Council and the said Bank of Bengal, doth and do hereby for himself and themselves and his and their respective successors, covenant and agree with the other of them and their and his respective successors in manner following, that is to say:—

1. That the Bank of Bengal shall and will forthwith establish a Branch Bank at Patna, and will provide themselves with suitable offices and buildings in the said city in a situation as near to the Revenue and other public offices as conveniently may be.

2. That, from and after the day to be appointed by notification as hereinafter mentioned, the business of receiving and paying money on behalf of the Supreme Government of India and the Government of Bengal, heretofore transacted at the Collectorate of the said station of Patna, shall be carried on and transacted by the Branch of the Bank of Bengal so to be established at Patna as aforesaid, subject to the provisions of this Agreement and to such orders and directions with regard to receipts and payments as may, from time to time,

time, be given to the said Branch Bank, or to the Bank of Bengal; by the Governor General in Council, or any of the officers of the Government of India or of the Government of Bengal authorised in that behalf; and, for the purpose aforesaid, such account or accounts shall be opened in their books by the said Branch Bank with the Government of India and the Government of the North-Western Provinces as the said Government of India shall, from time to time, direct.

3. That, from and after the day so to be appointed by notification as aforesaid, the cash balance then in the Government Treasury at Patna shall be deposited with the Branch Bank at Patna, who shall also thereafter receive and hold for the said Government of India and Government of Bengal respectively, and subject to the order of these Governments respectively, all moneys and balances which, but for these presents, would have been received or held by the Collector of the district of Patna, and the said Branch Bank at Patna shall transact all such business for the Government of India and Government of Bengal respectively, regarding the receipt, collection, payment, and remittance of money and securities and other matters as is usually transacted by bankers for their customers, or shall be *bonâ fide* required for the exigencies of the Government and for all Departments of the Public Service at the station of Patna, and also all such business regarding the receipt, collection, payment, and remittance of money and securities for and on behalf of officers in the different Government Departments as has heretofore been usually transacted by the Collector of Patna, and shall and will transact all such last-mentioned business in such manner, in respect both of Government and individual officers of Government, as may be, from time to time, required by the existing orders of Government, after due notice thereof given by the Collector to the said Branch Bank.

4. That, from and after the day appointed in the notification aforesaid, the said Secretary of State in Council shall pay to the said Branch Bank the actual costs and expenses of packing and remitting specie under the preceding clause, and for which costs and expenses contingent bills shall, from time to time, be submitted to the Civil Paymaster of Bengal for the time being, and be passed by him on approval, and shall further pay to the Bank of Bengal the yearly sum of 3,060 rupees in full of all costs and expenses attendant on the maintenance by the said Bank of the establishment of clerks and servants necessary for the carrying on of the said Government banking account and business at the said Branch Bank at Patna, and the Bank shall not charge any interest or commission on the said account, except under such arrangement as in the next following clause mentioned.

5. That so long as the average cash balance for any month in the hands of the said Branch Bank at Patna shall not exceed the average amount of five lacs of rupees, the said Branch Bank shall be at liberty to use and employ such balance, subject to the provisions of the Charter Act of the Bank of Bengal, or any future Act relating to the said Bank, and to appropriate the profit arising from such employment, without being charged with any interest in account: Provided always, that it shall be in the power of the Directors of the Bank of Bengal, with the sanction of his Excellency the Governor General in Council, to alter, modify, or increase the proportion of the aforesaid balance to be specially set aside for cashing notes herein provided.

6. That, when and so often as the monthly average cash balance shall exceed five lacs of rupees, the Bank of Bengal shall forthwith set aside such excess or surplus in cash, to be kept in a separate reserve, on account and subject to the instructions of the Government of Bengal, or shall, at the option of the Directors and at the risk of the Bank, invest such excess or surplus, on account of the Government of Bengal, either in the purchase of Government securities or railway debentures guaranteed by Government in the name of the Collector of the district of Patna or of such other officers as the Government of Bengal shall, from time to time, direct, or in the discount of Government acceptances or other claims against Government payable at Patna, and so that such excess or surplus shall be withdrawn from employment as part of the general funds of the Bank, and so on from time to time, as often as an uninvested surplus cash balance above five lacs of rupees shall, on the taking of the monthly average, appear to be in the hands of the Bank; and the said Bank of Bengal shall at all times be answerable and accountable to the Government of Bengal for the surplus cash balance for the time being so set apart, or invested at the risk of the Bank as regards realising the securities, and shall be entitled to draw and apply the interest, dividends, or profits from such investments to their own use; but the safe custody of such surplus cash balance, so long as the same shall remain uninvested, shall be at the exclusive risk of Government in the case of loss from war, disturbance, or unavoidable accident.

7. That, when and so often as the cash balance in the hands of the Branch Bank at Patna shall, on the taking of the monthly average, appear to have been less than the sum of three lacs of rupees, then, in addition to the profit which the said Bank may acquire by the employment of such balance free of interest, an additional allowance or remuneration, by way of compensation, shall be made to the Bank of Bengal by the payment by Government of interest on the difference between the amount of the actual balance of Government in the said Branch Bank, exclusive of the proportion specially set aside as a reserve for notes aforesaid, and the sum of three lacs of rupees, the interest being calculated at the average rate of interest paid by the public on fixed loans at the said Branch Bank during the month.



8. That

8. That all returns furnished by the said Branch Bank to the head office of the Bank of Bengal, as also all official reports of the Bank's Inspector of the said Branch, shall at all times be accessible to the Auditor appointed by the Government of India under Clause 5 of the Agreement with the Bank of Bengal, hereinbefore mentioned and in part recited, and it shall also be in the power of the Government of Bengal, at any time and as often as they may think fit, to cause the amount of cash in reserve held on account of the Government, and the accuracy of the Government balance in cash or securities, to be inspected and verified by any officer duly authorised for that purpose, but not otherwise to interfere with the ordinary banking operations carried on at the said Branch; and the report of such officer, if such as to require on the part of the said Bank an explanation, shall first be laid before the Directors of the Bank of Bengal, to enable them to furnish any explanation or further information touching any of the matters referred to in the report, and such report, together with the explanation, shall then be submitted to the Governor General in Council, whose order, decision, or finding on such report shall be binding and conclusive on the said Branch Bank and the Bank of Bengal respectively.

9. That the said Branch Bank, during the continuance of these presents, shall and will, to the utmost of their power, pay and satisfy, on demand, to the holders the amount of all Government currency notes duly issued within the Circle of Calcutta under the said Act XIX. of 1861, which shall be presented for payment or conversion into cash at the office of the Bank in Patna.

10. That the whole responsibility for any loss or damage that may be occasioned by, or arise in respect of, the wrongful payment, exchange or satisfaction, through mistake or otherwise, at or by the said Branch Bank, of any Government Currency Notes which ought not to be paid, exchanged, or satisfied, or of any forged or spurious Notes purporting to be Government Currency Notes, or in respect of the forgery or alteration of any Government Currency Notes, or in respect of any error or mistake committed by the said Branch Bank, or by any of its officers or agents, in conducting the Government Banking business at Patna aforesaid, shall, as between the said Secretary of State for India in Council and the said Bank of Bengal, rest solely and entirely with, and shall be borne by, the said Bank of Bengal, who shall have no claim upon the said Secretary of State in Council for compensation or indemnity for or in respect of any such loss.

11. That this Agreement and the powers and authorities herein contained, and the covenants hereby entered into shall come into operation from and after a day to be fixed by the Governor General in Council by notification in that behalf, which shall be published in the Calcutta and local "Government Gazette," within one calendar month from the date hereof, and continue for the term of five years from the 1st March 1862, at the expiration of which time the same shall and may, by notice in writing from the Governor General in Council to the Directors of the Bank of Bengal for the time being, be renewed with or without any modifications, as may be agreed on between the Governor General in Council and the said Directors.

## Agreement with the Bank of Bengal.

Articles of Agreement made the second day of May, in the year of our Lord 1862, between the Secretary of State for India in Council of the one part, and the Bank of Bengal of the other part: Whereas by the Act XIX. of 1861, of the Legislative Council of India, certain provisions have been made for the establishment of a Paper Currency and the payment of the Government Promissory Notes to be issued in virtue of the said Act, and the Governor General in Council was thereby authorised to establish in British India, Circles of Issue, and in each circle to appoint some one city or town to be the place of issue of Notes, and by the said Act it was declared lawful for the Governor General in Council, from time to time, by rules to be published in the "Government Gazette," to make such arrangements through any officers of Government, or with any persons, Banks, or bodies corporate as might be required to regulate and facilitate the issue and payment of the said Promissory Notes: And whereas, by a Memorandum of Agreement, bearing date the 26th day of September 1861, and made between the parties hereto, certain terms were agreed to, having for their object the transfer to the said Bank of the business of the Government Treasury, at Fort William, and the superintendence and management by the said Bank for the Government of India, of the issue of the Government Paper Currency for the Circle of Issue of Calcutta, and it was thereby, amongst other things, agreed that, if at any time during the continuance of that Agreement, the said Bank should establish a branch office at any town or place other than Calcutta, and the Governor General of India should offer to the Directors of the said Bank for the time being, and they should, on behalf of the said Bank, accept the business of bankers to the Government of India for the district or locality within which such branch should be established, or the business of issuing and circulating the Government Paper Currency within such district or locality, then, and in every such case, the business so arranged to be taken up and performed by the said Bank, should be carried on under and subject to the provisions of that Agreement, and on the basis of certain clauses cited in the margin thereof, being the third and fifth paragraphs of the Government Memorandum of the 20th of March 1861, relating to the establishment of such Branch Banks, except in so far as the provisions of that Agreement, or of the said clauses, might be modified or altered by any special Agreement which the parties thereto might enter

enter into in reference to the business so to be carried on at the particular Branch Bank: And whereas the Bank of Bengal are about to establish a Branch Bank at (amongst other places) Dacca, and the Governor General in Council has offered to the said Bank (who have accepted the same) the business of Bankers to the Government of India for the district of Dacca; and the terms on which such business shall be performed have now been finally settled and arranged between the Governor General in Council (acting in the premises on behalf of the said Secretary of State) and the Directors of the said Bank: Now, these presents witness that for the purpose of carrying out the said arrangement, and in consideration of the payments and covenants hereinafter respectively mentioned and contained, and by and on the part of the said parties to these presents respectively to be paid and performed, each of them, the said Secretary of State in Council and the said Bank of Bengal, doth and do hereby for himself and themselves, and his and their respective successors, covenant and agree with the other of them and their and his respective successors in manner following, that is to say:—

1. That the Bank of Bengal shall and will forthwith establish a Branch Bank at Dacca, and will provide themselves with suitable offices and buildings in the said city in a situation as near to the Revenue and other public offices as conveniently may be.

2. That from and after the day to be appointed by notification as hereinafter mentioned, the business of receiving and paying money on behalf of the Supreme Government of India and the Government of Bengal, heretofore transacted at the Collectorate of the said station of Dacca, shall be carried on and transacted by the Branch of the Bank of Bengal so to be established at Dacca as aforesaid, subject to the provisions of this Agreement, and to such orders and directions with regard to receipts and payments as may, from time to time, be given to the said Branch Bank, or to the Bank of Bengal, by the Governor General in Council, or any of the officers of the Government of India, or of the Government of Bengal, authorised in that behalf; and for the purpose aforesaid such account or accounts shall be opened in their books by the said Branch Bank with the Government of India and the Government of Bengal, as the said Government of India shall, from time to time, direct.

3. That from and after the day so to be appointed by notification as aforesaid, the Cash Balance then in the Government Treasury at Dacca, shall be deposited with the Branch Bank at Dacca, who shall also thereafter receive and hold for the said Government of India and Government of Bengal, respectively, and subject to the order of these Governments, respectively, all monies and balances which, but for these presents would have been received or held by the Collector of the district of Dacca; and the said Branch Bank at Dacca shall transact all such business for the Government of India and Government of Bengal, respectively, regarding the receipt, collection, payment, and remittance of money and securities, and other matters, as is usually transacted by bankers for their customers, or shall be *bonâ fide* required for the exigencies of the Government, and for all Departments of the Public Service at the station of Dacca; and also all such business regarding the receipt, collection, payment, and remittance of money and securities for and on behalf of officers in the different Government Departments as has heretofore been usually transacted by the Collector of Dacca; and shall and will transact all such last-mentioned business in such manner, in respect both of Government and individual officers of Government, as may be, from time to time, required by the existing orders of Government, after due notice thereof given by the Collector to the said Branch Bank.

4. That from and after the day appointed in the notification aforesaid, the said Secretary of State in Council shall pay to the said Branch Bank the actual costs and expenses of packing and remitting specie under the preceding clause, and for which costs and expenses, Contingent Bills, shall, from time to time, be submitted to the Civil Paymaster of Bengal for the time being, and be passed by him on approval; and shall further pay to the Bank of Bengal the yearly sum of 2,148 rupees in full of all costs and expenses attendant on the maintenance by the said Bank of the establishment of clerks and servants necessary for the carrying on of the said Government Banking Account and business at the said Branch Bank at Dacca; and the Bank shall not charge any interest or commission on the said account, except under such arrangement as in the next following clause mentioned.

5. That so long as the average Cash Balance for any month in the hands of the said Branch Bank at Dacca shall not exceed the average amount of two and a half lacs of rupees, the said Branch Bank shall be at liberty to use and employ such balance, subject to the provisions of the Charter Act of the Bank of Bengal, or any future Act relating to the said Bank, and to appropriate the profit arising from such employment, without being charged with any interest in account: Provided always, that it shall be in the power of the Directors of the Bank of Bengal, with the sanction of his Excellency the Governor General in Council, to alter, modify, or increase the proportion of the aforesaid balance to be specially set aside for cashing Notes herein provided.

6. That when and so often as the monthly average Cash Balance shall exceed two and a half lacs of rupees, the Bank of Bengal shall forthwith set aside such excess or surplus in cash, to be kept in a separate reserve, on account and subject to the instructions of the Government of Bengal; or shall, at the option of the Directors, and at the risk of the Bank, invest such excess or surplus (on account of the Government of Bengal), either in the purchase of Government Securities or Railway Debentures guaranteed by Government in

the name of the Collector of the district of Dacca, or of such other officer as the Government of Bengal shall, from time to time, direct; or in the discount of Government acceptances or other claims against Government payable at Dacca, and so that such excess or surplus shall be withdrawn from employment as part of the General Funds of the Bank, and so on, from time to time, as often as an uninvested surplus Cash Balance above two and a half lacs of rupees shall, on the taking of the monthly average, appear to be in the hands of the Bank; and the said Bank of Bengal shall at all times be answerable and accountable to the Government of Bengal for the surplus Cash Balance for the time being so set apart, or invested at the risk of the Bank as regards realising the securities, and shall be entitled to draw and apply the interest, dividends, or profits arising from such investments to their own use; but the safe custody of such surplus Cash Balance, so long as the same shall remain uninvested, shall be at the exclusive risk of Government in case of loss from war, disturbance, or unavoidable cause.

7. That when and so often as the Cash Balance in the hands of the Branch Bank at Dacca shall, on the taking of the monthly average, appear to have been less than the sum of one and a half lacs of rupees, then, in addition to the profit which the said Bank may acquire by the employment of such balance, free of interest, an additional allowance or remuneration by way of compensation, shall be made to the Bank of Bengal by the payment by Government of interest on the difference between the amount of the actual balance of Government in the said Branch Bank, exclusive of the proportion specially set aside as a reserve for Notes aforesaid, and the sum of one and a half lacs of rupees, the interest being calculated at the average rate of interest paid by the public on fixed loans at the said Branch Bank during the month.

8. That all returns furnished by the said Branch Bank to the head office of the Bank of Bengal, as also all official reports of the Bank's Inspector on the said branch, shall, at all times, be accessible to the Auditor appointed by the Government of India under Clause 5 of the Agreement with the Bank of Bengal, hereinbefore-mentioned and in part recited; and shall also be in the power of the Government of Bengal, at any time and as often as they may think fit, to cause the amount of cash reserve held on account of the Government, and the accuracy of the Government balance in cash or securities, to be inspected and verified by any officer duly authorised for that purpose, but not otherwise to interfere with the ordinary banking operations carried on at the said branch, and the report of such officer, if such as to require on the part of the said Bank an explanation, shall first be laid before the Directors of the Bank of Bengal, to enable them to furnish any explanation or further information touching any of the matters referred to in the report, and such report, together with the explanation, shall then be submitted to the Governor General in Council, whose order, decision, or finding on such report shall be binding and conclusive on the said Branch Bank and the Bank of Bengal, respectively.

9. That the said Branch Bank, during the continuance of these presents, shall and will, to the utmost of their power, pay and satisfy on demand, to the holders, the amount of all Government Currency Notes duly issued within the Circle of Calcutta under the said Act XIX. of 1861, which shall be presented for payment or conversion into cash at the office of the Bank in Dacca.

10. That the whole responsibility for any loss or damage that may be occasioned by, or arise in respect of, the wrongful payment, exchange, or satisfaction, through mistake or otherwise, at or by the said Branch Bank, for any Government Currency Notes which ought not to be paid, exchanged, or satisfied, or of any forged or spurious Notes purporting to be Government Currency Notes, or in respect of the forgery or alteration of any Government Currency Notes, or in respect of any error or mistake committed by the said Branch Bank, or by any of its officers or agents, in conducting the Government Banking business at Dacca aforesaid, shall, as between the said Secretary of State for India in Council and the said Bank of Bengal, rest solely and entirely with, and shall be borne by, the said Bank of Bengal, who shall have no claim upon the said Secretary of State in Council for compensation or indemnity for or in respect of any such loss.

11. That this Agreement, and the powers and authorities herein contained, and the covenants hereby entered into shall come into operation from and after a day to be fixed by the Governor General in Council by notification in that behalf, which shall be published in the Calcutta and Local "Government Gazette," within one calendar month from the date hereof, and continue for the term of five years from the 1st March 1862, at the expiration of which time the same shall and may, by notice in writing from the Governor General in Council to the Directors of the Bank of Bengal for the time being, be renewed, with or without any modifications, as may be agreed on between the Governor General in Council and the said Directors.

(No. 106.)

NOTICE is hereby given, that the Treasuries of the Secretary of State for India in Council and of Her Majesty's Indian Government at the stations of Mirzapore and Benares, shall, from and after the 1st day of August 1862, be established at the Branch Banks opened at those stations by the Bank of Bengal. All payments to be made by, or to the Secretary of State in Council, or to the Government of India, or the Government of the North-Western Provinces

Provinces at the Treasuries of Mirzapore and Benares aforesaid, shall and may, from and after the above-mentioned date, be made at the said Branches of the Bank of Bengal.

The terms on which the business of the said Treasuries and the Government Paper Currency shall be conducted by the Branches of the Bank of Bengal are contained in the following:—

AGREEMENT WITH THE BANK OF BENGAL.

ARTICLES OF AGREEMENT made the seventeenth day of April, in the year of our Lord 1862, between the Secretary of State for India in Council of the one part and the Bank of Bengal of the other part: Whereas by the Act XIX. of 1861 of the Legislative Council of India, certain provisions have been made for the establishment of a Paper Currency and the payment of the Government Promissory Notes, to be issued in virtue of the said Act, and the Governor General in Council was thereby authorised to establish in British India Circles of Issue, and in each circle to appoint some one city or town to be the place of issue of Notes, and by the said Act it was declared lawful for the Governor General in Council, from time to time, by rules to be published in the "Government Gazette," to make such arrangements through any officers of Government, or with any persons, banks, or bodies corporate as might be required to regulate and facilitate the issue and payment of the said promissory notes: And whereas by a Memorandum of Agreement bearing date the twenty-sixth day of September 1861, and made between the parties hereto, certain terms were agreed to having for their object the transfer to the said Bank of the business of the Government Treasury at Fort William, and the superintendence and management by the said Bank for the Government of India, of the issue of the Government Paper Currency for the Circle of Issue of Calcutta, and it was thereby, amongst other things, agreed that if at any time during the continuance of that Agreement, the said Bank should establish a Branch Office at any town or place other than Calcutta, and the Governor General of India should offer to the Directors of the said Bank for the time being, and they should, on behalf of the said Bank, accept the business of Bankers to the Government of India for the district or locality within which such Branch should be established, or the business of issuing and circulating the Government Paper Currency within such district or locality, then, and in every such case, the business so arranged to be taken up and performed by the said Bank should be carried on under and subject to the provisions of that Agreement, and on the basis of certain Clauses cited in the margin thereof, being the third and fifth paragraphs of the Government Memorandum of the twentieth of March 1861, relating to the establishment of such Branch Banks, except in so far as the provisions of that Agreement, or of the said Clauses, might be modified or altered by any special agreement which the parties thereto might enter into in reference to the business so to be carried on at the particular Branch Bank: And whereas the Bank of Bengal are about to establish a Branch Bank at (amongst other places) Mirzapore, and the Governor General in Council has offered to the said Bank (who have accepted the same) the business of Bankers to the Government of India for the district of Mirzapore, and the terms on which such business shall be performed have now been finally settled and arranged between the Governor General in Council (acting in the premises on behalf of the said Secretary of State) and the Directors of the said Bank: Now these Presents witness that for the purpose of carrying out the said arrangement, and in consideration of the payments and covenants hereinafter respectively mentioned and contained, and by and on the part of the said parties to these Presents respectively, to be paid and performed, each of them, the said Secretary of State in Council and the said Bank of Bengal, doth and do hereby for himself and themselves, and his and their respective successors, covenant and agree with the other of them, and their and his respective successors, in manner following, that is to say:—

1. That the Bank of Bengal shall and will forthwith establish a Branch Bank at Mirzapore, and will provide themselves with suitable offices and buildings in the said city, in a situation as near to the Revenue and other public offices as conveniently may be.

2. That from and after the day to be appointed by notification as hereinafter mentioned, the business of receiving and paying money on behalf of the Supreme Government of India and the Government of the North-Western Provinces, heretofore transacted at the Collectorate of the said station of Mirzapore, shall be carried on and transacted by the Branch of the Bank of Bengal so to be established at Mirzapore as aforesaid, subject to the provisions of this agreement, and to such orders and directions with regard to receipts and payments as may from time to time be given to the said Branch Bank, or to the Bank of Bengal, by the Governor General in Council or any of the officers of the Government of India or of the Government of the North-Western Provinces authorised in that behalf, and for the purpose aforesaid such account or accounts shall be opened in their books by the said Branch Bank with the Government of India and the Government of the North-Western Provinces, as the said Government of India shall from time to time direct.

3. That from and after the day so to be appointed by notification as aforesaid, the cash balance then in the Government Treasury at Mirzapore shall be deposited with the Branch Bank at Mirzapore, who shall also thereafter receive and hold for the said Government of India and Government of the North-Western Provinces respectively, and subject to the order of these Governments respectively, all moneys and balances which, but for these presents, would have been received or held by the collector of the district of Mirzapore; and the said Branch Bank at Mirzapore shall transact all such business for the Government of

India and Government of the North-Western Provinces respectively, regarding the receipt, collection, payment, and remittance of money and securities and other matters, as is usually transacted by bankers for their customers, or shall be *bonâ fide* required for the exigencies of the Government and for all Departments of the Public Service at the station of Mirzapore, and also all such business regarding the receipt, collection, payment, and remittance of money and securities for and on behalf of officers in the different Government Departments as has heretofore been usually transacted by the Collector of Mirzapore, and shall and will transact all such last-mentioned business in such manner, in respect both of Government and individual officers of Government, as may be from time to time required by the existing orders of Government, after due notice thereof given by the collector to the said Branch Bank.

4. That from and after the day appointed in the notification aforesaid, the said Secretary of State in Council shall pay to the said Branch Bank the actual costs and expenses of packing and remitting specie under the preceding clause, and for which costs and expenses contingent bills shall from time to time be submitted to the Civil Paymaster of the North-Western Provinces for the time being, and be passed by him on approval, and shall further pay to the Bank of Bengal the yearly sum of two thousand and seven hundred rupees in full of all costs and expenses attendant on the maintenance by the said Bank of the establishment of clerks and servants necessary for the carrying on of the said Government Banking Account and business at the said Branch Bank at Mirzapore, and the Bank shall not charge any interest or commission on the said account, except under such arrangement as in the next following clause mentioned.

5. That so long as the average cash balance for any month in the hands of the said Branch Bank at Mirzapore shall not exceed the average amount of three lacs seventy-eight thousand three hundred and eighteen rupees, the said Branch Bank shall be at liberty to use and employ such balance, subject to the provisions of the Charter Act of the Bank of Bengal, or any future Act relating to the said Bank, and to appropriate the profit arising from such employment, without being charged with any interest in account: provided always that it shall be in the power of the Directors of the Bank of Bengal, with the sanction of his Excellency the Governor General in Council, to alter, modify, or increase the proportion of the aforesaid balance to be specially set aside for cashing notes herein provided.

6. That when and so often as the monthly average cash balance shall exceed three lacs seventy-eight thousand three hundred and eighteen rupees, the Bank of Bengal shall forthwith set aside such excess or surplus in cash, to be kept in a separate reserve, on account and subject to the instructions of the Government of the North-Western Provinces, or shall, at the option of the directors, and at the risk of the Bank, invest such excess or surplus on account of the Government of the North-Western Provinces, either in the purchase of government securities or railway debentures guaranteed by Government in the name of the Collector of the district of Mirzapore, or of such other officer as the Government of the North-Western Provinces shall from time to time direct, or in the discount of Government acceptances or other claims against Government payable at Mirzapore, and so that such excess or surplus shall be withdrawn from employment as part of the general funds of the Bank, and so on, from time to time, as often as an uninvested surplus cash balance above three lacs seventy-eight thousand three hundred and eighteen rupees shall, on the taking of the monthly average, appear to be in the hands of the Bank, and the said Bank of Bengal shall at all times be answerable and accountable to the Government of the North-Western Provinces for the surplus cash balance for the time being so set apart or invested at the risk of the Bank as regards realising the securities, and shall be entitled to draw and apply the interest, dividends, or profits arising from such investments to their own use: but the safe custody of such surplus cash balance, so long as the same shall remain uninvested, shall be at the exclusive risk of Government in case of loss from war, disturbance, or unavoidable cause.

7. That when and so often as the cash balance in the hands of the Branch Bank at Mirzapore shall, on the taking of the monthly average, appear to have been less than the sum of two lacs eighty-three thousand seven hundred and thirty-nine rupees, then, in addition to the profit which the said Bank may acquire by the employment of such balance free of interest, an additional allowance or remuneration by way of compensation shall be made to the Bank of Bengal by the payment, by Government, of interest on the difference between the amount of the actual balance of Government in the said Branch Bank, exclusive of the proportion specially set aside as a reserve for notes aforesaid, and the sum of two lacs eighty-three thousand seven hundred and thirty-nine rupees; the interest being calculated at the average rate of interest paid by the public on fixed loans at the said Branch Bank during the month.

8. That all returns furnished by the said Branch Bank to the Head Office of the Bank of Bengal, as also all official reports of the Bank's Inspector on the said Branch, shall at all times be accessible to the auditor appointed by the Government of India under Clause 5 of the Agreement with the Bank of Bengal hereinbefore mentioned and in part recited; and it shall also be in the power of the Government of the North-Western Provinces, at any time and as often as they may think fit, to cause the amount of cash in reserve held on account of the Government, and the accuracy of the Government balance in cash or securities, to be inspected and verified by any officer duly authorised for that purpose, but not otherwise to interfere with the ordinary banking operations carried on at the said

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Branch; and the report of such officer, if such as to require on the part of the said Bank an explanation, shall first be laid before the Directors of the Bank of Bengal, to enable them to furnish any explanation or further information touching any of the matters referred to in the report; and such report, together with the explanation, shall then be submitted to the Governor General in Council, whose order, decision, or finding on such report shall be binding and conclusive on the said Branch Bank and the Bank of Bengal respectively.

9. That the said Branch Bank, during the continuance of these Presents, shall and will, to the utmost of their power, pay and satisfy, on demand, to the holders the amount of all Government Currency Notes duly issued within the circle of Calcutta under the said Act XIX. of 1861, which shall be presented for payment or conversion into cash at the office of the Bank in Mirzapore.

10. That the whole responsibility for any loss or damage that may be occasioned by, or arise in respect of, the wrongful payment, exchange, or satisfaction, through mistake or otherwise, at or by the said Branch Bank, of any Government Currency Notes which ought not to be paid, exchanged, or satisfied, or of any forged or spurious Notes purporting to be Government Currency Notes, or in respect of the forgery or alteration of any Government Currency Notes, or in respect of any error or mistake committed by the said Branch Bank, or by any of its officers or agents, in conducting the Government banking business at Mirzapore aforesaid, shall, as between the said Secretary of State for India in Council and the said Bank of Bengal, rest solely and entirely with and shall be borne by the said Bank of Bengal, who shall have no claim upon the said Secretary of State in Council for compensation or indemnity for or in respect of any such loss.

11. That this Agreement and the powers and authorities herein contained and the covenants hereby entered into shall come into operation from and after a day to be fixed by the Governor General in Council by notification in that behalf, which shall be published in the Calcutta and Local "Government Gazette," within one calendar month from the date hereof, and continue for the term of five years from the 1st March 1862, at the expiration of which time the same shall and may, by notice in writing from the Governor General in Council to the Directors of the Bank of Bengal for the time being, be renewed, with or without any modifications, as may be agreed on between the Governor General in Council and the said Directors.

### Agreement with the Bank of Bengal.

Articles of Agreement made the second day of May, in the year of our Lord 1862, between the Secretary of State for India in Council of the one part and the Bank of Bengal of the other part: Whereas, by the Act XIX. of 1861 of the Legislative Council of India, certain provisions have been made for the establishment of a paper currency and the payment of the Government promissory notes to be issued in virtue of the said Act, and the Governor General in Council was thereby authorised to establish in British India Circles of Issue, and in each circle to appoint some one city or town to be the place of issue of notes, and by the said Act it was declared lawful for the Governor General in Council from time to time, by rules to be published in the "Government Gazette," to make such arrangements, through any officers of Government, or with any persons, banks, or bodies corporate, as might be required to regulate and facilitate the issue and payment of the said promissory notes: And whereas, by a Memorandum of Agreement bearing date the twenty-sixth day of September 1861, and made between the parties hereto, certain terms were agreed to, having for their object the transfer to the said Bank of the business of the Government Treasury at Fort William and the superintendence and management by the said Bank for the Government of India of the issue of the Government paper currency for the circle of issue of Calcutta, and it was thereby, amongst other things, agreed that if at any time during the continuance of that Agreement the said Bank should establish a Branch Office at any town or place other than Calcutta, and the Governor General of India should offer to the Directors of the said Bank for the time being, and they should, on behalf of the said Bank, accept the business of Bankers to the Goverment of India for the district or locality within which such Branch should be established, or the business of issuing and circulating the Government paper currency within such district or locality, then, and in every such case, the business so arranged to be taken up and performed by the said Bank should be carried on under and subject to the provisions of that Agreement, and on the basis of certain clauses cited in the margin thereof, being the third and fifth paragraphs of the Government Memorandum of the twentieth of March 1861 relating to the establishment of such Branch Banks, except in so far as the provisions of that Agreement, or of the said clauses, might be modified or altered by any special Agreement which the parties thereto might enter into in reference to the business so to be carried on at the particular Branch Bank: And whereas the Bank of Bengal are about to establish a Branch Bank at (amongst other places) Benares, and the Governor General in Council has offered to the said Bank (who have accepted the same) the business of Bankers to the Government of India for the district of Benares, and the terms on which such business shall be performed have now been finally settled and arranged between the Governor General in Council (acting in the premises on behalf of the said Secretary of State) and the Directors of the said Bank. Now these presents witness that, for the purpose of carrying out the said arrangement, and in consideration of the payments and covenants hereinafter respectively mentioned and contained,

tained, and by and on the part of the said parties to these Presents respectively to be paid and performed, each of them, the said Secretary of State in Council and the said Bank of Bengal, doth and do hereby for himself and themselves and his and their respecive successors, covenant and agree with the other of them and their and his respective successors in manner following, that is to say:—

1. That the Bank of Bengal shall and will forthwith establish a Branch Bank at Benares, and will provide themselves with suitable offices and buildings in the said city, in a situation as near to the Revenue and other public offices as conveniently may be.

2. That from and after the day to be appointed by notification as hereinafter mentioned the business of receiving and paying money on behalf of the Supreme Government of India and the Government of the North-Western Provinces, heretofore transacted at the Collectorate of the said station of Benares, shall be carried on and transacted by the Branch of the Bank of Bengal so to be established at Benares as aforesaid, subject to the provisions of this Agreement, and to such orders and directions with regard to receipts and payments as may from time to time be given to the said Branch Bank, or to the Bank of Bengal, by the Governor General in Council or any of the officers of the Government of India or of the Government of the North-Western Provinces authorised in that behalf; and for the purpose aforesaid such account or accounts shall be opened in their books by the said Branch Bank with the Government of India and the Government of the North-Western Provinces as the said Government of India shall from time to time direct.

3. That from and after the day so to be appointed by notification as aforesaid, the cash balance then in the Government Treasury at Benares shall be deposited with the Branch Bank at Benares, who shall also thereafter receive and hold for the said Government of India and Government of the North-Western Provinces respectively, and subject to the order of these Governments respectively, all moneys and balances which, but for these Presents, would have been received or held by the Collector of the district of Benares; and the said Branch Bank at Benares shall transact all such business for the Government of India and Government of the North-Western Provinces respectively regarding the receipt, collection, payment, and remittance of money and securities and other matters as is usually transacted by bankers for their customers, or shall be *bonâ fide* required for the exigencies of the Government and for all departments of the public service at the station of Benares, and also all such business regarding the receipt, collection, payment, and remittance of money and securities for and on behalf of officers in the different Government departments as has heretofore been usually transacted by the Collector of Benares, and shall and will transact all such last-mentioned business in such manner, in respect both of Government and individual officers of Government, as may be from time to time required by the existing orders of Government, after due notice thereof given by the Collector to the said Branch Bank.

4. That from and after the day appointed in the notification aforesaid, the said Secretary of State in Council shall pay to the said Branch Bank the actual costs and expenses of packing and remitting specie under the preceding clause, and for which costs and expenses contingent bills shall from time to time be submitted to the Civil Paymaster of the North-Western Provinces for the time being, and be passed by him on approval, and shall further pay to the Bank of Bengal the yearly sum of three thousand seven hundred and fifty rupees in full of all costs and expenses attendant on the maintenance by the said Bank of the establishment of clerks and servants necessary for the carrying on of the said Government banking account and business at the said Branch Bank at Benares; and the Bank shall not charge any interest or commission on the said account, except under such arrangement as in the next following clause mentioned.

5. That so long as the average cash balance for any month in the hands of the said Branch Bank at Benares shall not exceed the average amount of five lacs of rupees, the said Branch Bank shall be at liberty to use and employ such balance, subject to the provisions of the Charter Act of the Bank of Bengal, or any future Act relating to the said Bank, and to appropriate the profit arising from such employment, without being charged with any interest in account: provided always that it shall be in the power of the Directors of the Bank of Bengal, with the sanction of his Excellency the Governor General in Council, to alter, modify, or increase the proportion of the aforesaid balance to be specially set aside for cashing notes herein provided.

6. That when and so often as the monthly average cash balance shall exceed five lacs of rupees, the Bank of Bengal shall forthwith set aside such excess or surplus in cash, to be kept in a separate reserve, on account and subject to the instructions of the Government of the North-Western Provinces, or shall, at the option of the Directors and at the risk of the Bank, invest such excess or surplus on account of the Government of the North-Western Provinces, either in the purchase of Government securities or railway debentures guaranteed by Government in the name of the Collector of the district of Benares, or of such other officer as the Government of the North-Western Provinces shall from time to time direct, or in the discount of Government acceptances or other claims against Government payable at Benares, and so that such excess or surplus shall be withdrawn from employment as part of the general funds of the Bank, and so on from time to time as often as an uninvested surplus cash balance above five lacs of rupees shall, on the taking of the monthly average, appear to be in the hands of the Bank; and the said Bank of Bengal shall at all times be answerable and accountable to the Government of the North-Western Provinces for

for the surplus Cash Balance for the time being so set apart, or invested at the risk of the Bank as regards realising the securities, and shall be entitled to draw and apply the interest, dividends, or profits arising from such investments to their own use; but the safe custody of such surplus Cash Balance, so long as the same shall remain uninvested, shall be at the exclusive risk of Government in the case of loss from war, disturbance, or unavoidable accident.

7. That when and so often as the Cash Balance in the hands of the Branch Bank at Benares shall, on the taking of the monthly average, appear to have been less than the sum of three lacs of rupees, then, in addition to the profit which the said Bank may acquire by the employment of such balance free of interest, an additional allowance or remuneration by way of compensation shall be made to the Bank of Bengal, by the payment, by Government, of interest on the difference between the amount of the actual balance of Government in the said Branch Bank, exclusive of the proportion specially set aside as a reserve for notes aforesaid, and the sum of three lacs of rupees, the interest being calculated at the average rate of interest paid by the public on the fixed loans at the said Branch Bank during the month.

8. That all returns furnished by the said Branch Bank to the head office of the Bank of Bengal, as also all official reports of the Bank's Inspector on the said Branch, shall at all times be accessible to the auditor appointed by the Government of India under Clause 5 of the Agreement with the Bank of Bengal, hereinbefore mentioned and in part recited, and it shall also be in the power of the Government of the North Western Provinces, at any time and as often as they may think fit, to cause the amount of cash in reserve held on account of the Government, and the accuracy of the Government Balance in Cash or Securities, to be inspected and verified by any officer duly authorised for that purpose, but not otherwise to interfere with the ordinary banking operations carried on at the said Branch, and the report of such officer, if such as to require on the part of the said Bank an explanation, shall first be laid before the Directors of the Bank of Bengal, to enable them to furnish any explanation or further information touching any of the matters referred to in the report, and such report, together with the explanation, shall then be submitted to the Governor General in Council, whose order, decision, or finding on such report shall be binding and conclusive on the said Branch Bank and the Bank of Bengal respectively.

9. That the said Branch Bank, during the continuance of these presents, shall and will, to the utmost of their power, pay and satisfy, on demand, to the holders, the amount of all Government Currency Notes duly issued within the Circle of Calcutta under the said Act XIX. of 1861, which shall be presented for payment or conversion into cash at the office of the Bank in Benares.

10. That the whole responsibility for any loss or damage that may be occasioned by or arise in respect of the wrongful payment, exchange, or satisfaction, through mistake or otherwise, at or by the said Branch Bank, of any Government Currency Notes which ought not to be paid, exchanged, or satisfied, or of any forged or spurious notes purporting to be Government Currency Notes, or in respect of the forgery or alteration of any Government Currency Notes, or in respect of any error or mistake committed by the said Branch Bank, or by any of its officers or agents, in conducting the Government Banking business at Benares aforesaid, shall, as between the said Secretary of State for India in Council and the said Bank of Bengal, rest solely and entirely with, and shall be borne by, the said Bank of Bengal, who shall have no claim upon the said Secretary of State in Council, for compensation or indemnity for or in respect of any such loss.

11. That this Agreement, and the powers and authorities herein contained, and the covenants hereby entered into, shall come into operation from and after a day to be fixed by the Governor General in Council by notification in that behalf, which shall be published in the Calcutta and local Government Gazette within one calendar month from the date hereof, and continue for the term of five years from the 1st March 1862, at the expiration of which time the same shall and may, by notice in writing from the Governor General in Council to the Directors of the Bank of Bengal for the time being, be renewed, with or without any modifications, as may be agreed on between the Governor General in Council and the said Directors.

*E. Drummond,*
Secretary to the Government of India.

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Financial Department, Fort William, 1 July 1862.

(No. 109.)

NOTIFICATION.

NOTICE is hereby given, that the Treasury of the Secretary of State for India in Council and of Her Majesty's Indian Government at the station of Rangoon shall, from and after the 1st day of August 1862, be established at the Branch Bank opened at that station by the Bank of Bengal. All payments to be made by or to the Secretary of State in Council, or to the Government of India, or the Chief Commissioner of British Burmah at the Treasury of Rangoon aforesaid, shall and may, from and after the above-mentioned date, be made at the said Branch of the Bank of Bengal.

The terms on which the business of the said Treasury shall be conducted by the Branch of the Bank of Bengal are contained in the following—

AGREEMENT WITH THE BANK OF BENGAL.

MEMORANDUM OF AGREEMENT made the twelfth day of June in the year of our Lord 1862, between the Secretary of State for India in Council of the one part and the Bank of Bengal of the other part: Whereas by an Agreement bearing date the twenty-sixth day of September 1861, and made between the parties hereto, certain terms were agreed to, having for their object the transfer to the said Bank of the business of the Government Treasury at Fort William, and the superintendence and management by the said Bank for the Government of India of the issue of the Government Paper Currency for the Circle of Issue of Calcutta; and it was thereby, amongst other things, agreed that if at any time during the continuance of that Agreement the said Bank should establish a Branch Office at any town or place other than Calcutta, and the Governor General of India should offer to the Directors of the said Bank for the time being, and they should, on behalf of the said Bank, accept the business of Bankers to the Government of India for the district or locality within which such Branch should be established, then, and in every such case, the business so arranged to be taken up and performed by the said Bank should be carried on, under, and subject to the provisions of that Agreement, and on the basis of certain Clauses cited in the margin thereof, being the third and fifth paragraphs of the Government Memorandum of the twentieth of March 1861, relating to the establishment of such Branch Banks, except in so far as the provisions of that Agreement, or of the said Clauses, might be modified or altered by any special Agreement which the parties thereto might enter into in reference to the business so to be carried on at the particular Branch Bank: And whereas the Bank of Bengal have established a Branch Bank at (amongst other places) Rangoon, and the Governor General in Council has offered to the said Bank (who have accepted the same) the business of Bankers to the Government of India for British Burmah, and the terms on which such business shall be performed have been settled and arranged between the Governor General in Council (acting in the premises on behalf of the said Secretary of State) and the Directors of the said Bank of Bengal: Now these Presents witness, that for the purpose of carrying out the said arrangement, and in consideration of the payments and covenants hereinafter respectively mentioned and contained, and by and on the part of the said parties to these presents respectively to be paid and performed, each of them, the said Secretary of State in Council and the said Bank of Bengal, doth and do hereby for himself and themselves, and his and their respective successors, covenant and agree with the other of them and their and his respective successors in manner following, that is to say:—

1. That the Bank of Bengal shall and will, from and after the time when and during the terms for which this Agreement shall come and continue in operation as hereinafter provided, keep up a Branch Bank at Rangoon, and provide suitable offices and buildings in the town of Rangoon, in a situation as near to the Revenue and other Public Offices of Government at Rangoon as conveniently may be.

2. That from and after the day to be appointed by notification as hereinafter mentioned, the business of receiving and paying money on behalf of the Supreme Government of India and the Chief Commissioner of British Burmah, respectively, heretofore transacted by the Deputy Commissioner of the said district of Rangoon, shall be carried on and transacted by the Branch Bank so established and to be kept up by the Bank of Bengal at Rangoon as aforesaid, subject to the provisions of this Agreement, and to such orders and directions with regard to receipts and payments as may from time to time be given to the said Branch Bank, or to the Bank of Bengal, by the Governor General in Council, or the Chief Commissioner of British Burmah, or any of the Officers of the Government of India authorised in that behalf, and for the purpose aforesaid such account or accounts shall be opened in their books by the said Branch Bank with the Government of India and the Chief Commissioner of British Burmah, as the Government of India shall from time to time direct.

3. That from and after the day so to be appointed by notification as aforesaid, the Cash Balance then in the Government Treasury at Rangoon shall be deposited with the Branch Bank at Rangoon, who shall also thereafter receive and hold for the said Government of India and the Chief Commissioner of British Burmah, respectively, and subject to the orders of the said Government and Chief Commissioner, respectively, all monies and balances which, but for these presents, would have been received or held by the Deputy Commissioner of the district of Rangoon, and the said Branch Bank at Rangoon shall transact all such business for the Government of India and the Chief Commissioner of British Burmah, respectively, regarding the receipt, collection, payment, and remittance of money and securities and other matters as is usually transacted by bankers for their customers, or shall be *bonâ fide* required for the exigencies of the Government and for all Departments of the Public Service at the station of Rangoon, and also all such business regarding the receipt, collection, payment, and remittance of money and securities for and on behalf of officers in the different Government Departments as has heretofore been usually transacted by the Deputy Commissioner of Rangoon, and shall and will transact all such last-mentioned business in such manner, in respect both of Government and individual Officers of Government, as may be from time to time required by the orders for the time being of Government, after due notice thereof given by the said Deputy Commissioner to the said Branch Bank.

4. That

4. That from and after the day appointed in the notification aforesaid, the said Secretary of State in Council shall pay to the said Branch Bank the actual cost and expenses of packing and remitting specie under the preceding clause, and for which costs and expenses Contingent Bills shall, from time to time, be submitted to the Civil Paymaster of the Government of India for the time being, and be passed by him on approval, and shall further pay to the Bank of Bengal the yearly sum of 1,932 rupees in full of all costs and expenses attendant on the maintenance at the said Branch Bank of the establishment of clerks and servants necessary for the carrying on of the said Government Banking Account and business at the said Branch Bank at Rangoon, and the Bank shall not charge any interest or commission on the said account, except under such arrangement as in the next following clause mentioned.

5. That so long as the average Cash Balance for any month in the hands of the said Branch Bank at Rangoon shall not exceed the average amount of four lacs of rupees, the said Branch Bank shall be at liberty to use and employ such balance, subject to the provisions of the Charter Act of the Bank of Bengal, or any future Act relating to the said Bank, and to appropriate the profit arising from such employment, without being charged with any interest in account.

6. That when and so often as the said monthly average Cash Balance shall exceed four lacs of rupees, the said Branch Bank shall forthwith set aside such excess or surplus in cash, to be kept in a separate reserve, on account and subject to the instructions of the Government of India, or the Chief Commissioner of British Burmah, respectively, or shall, at the option of the Directors, and at the risk of the Bank of Bengal, invest such excess or surplus on account of the Government of India, either in the purchase of Government Securities or Railway Debentures guaranteed by Government in the name of the Deputy Commissioner of the District of Rangoon, or of such other officer as the said Chief Commissioner of British Burmah shall from time to time direct, or in the discount of Government acceptances or other claims against Government payable at Rangoon, and so that such excess or surplus shall be withdrawn from employment as part of the General Funds of the Bank, and so on, from time to time, as often as an uninvested surplus Cash Balance above four lacs of rupees shall, on the taking of the monthly average, appear to be in the hands of the Bank; and the said Bank of Bengal shall at all times be answerable and accountable to the Government of India, and the Chief Commissioner of British Burmah, respectively, for the surplus Cash Balance for the time being so set apart, or invested at the risk of the Bank as regards realising the securities, and shall be entitled to draw and apply the interest, dividends or profits arising from such investments to their own use, but the safe custody of such surplus Cash Balance, so long as the same shall remain uninvested, shall be at the exclusive risk of Government in case of loss from war, disturbance, or unavoidable cause.

7. That when and so often as the Cash Balance in the hands of the Branch Bank at Rangoon shall, on the taking of the monthly average, appear to have been less than the sum of two lacs of rupees, then, in addition to the profit which the said Bank may acquire by the employment of such Balance free of interest, an additional allowance or remuneration by way of compensation shall be made to the Bank of Bengal by the payment, by Government, of interest on the difference between the amount of the actual Balance of Government in the said Branch Bank, and the sum of two lacs of rupees, such interest to be calculated at the average rate of interest payable by the public on fixed loans to the said Branch Bank during the month.

8. That all returns furnished by the said Branch Bank to the head office of the Bank of Bengal, as also all official reports of the Bank's Inspector on the said Branch shall, at all times, be accessible to the Auditor appointed by the Government of India under Clause 5 of the General Agreement with the Bank of Bengal, hereinbefore mentioned and in part recited, and it shall also be in the power of the Government of India, and the Chief Commissioner of British Burmah, respectively, at any time, and as often as they may think fit, to cause the amount of cash in reserve held on account of the Government, and the accuracy of the Government Balance in Cash or Securities, to be inspected and verified by any officer duly authorised for that purpose, but not otherwise to interfere with the ordinary Banking operations carried on at the said Branch, and the report of such officer, if such as to require on the part of the said Bank an explanation, shall first be laid before the Directors of the Bank of Bengal to enable them to furnish any explanation or further information touching any of the matters referred to in the report, and such report, together with the explanation, shall then be submitted to the Governor General in Council, whose order, decision, or finding on such report shall be binding and conclusive on the said Branch Bank and the Bank of Bengal, respectively.

9. That the whole responsibility for any loss or damage which may result from, or arise in respect of, any error or mistake committed by the said Branch Bank, or by any of its officers or agents, in conducting the Government Banking business at Rangoon aforesaid, shall, as between the Secretary of State for India in Council and the said Bank of Bengal, rest solely and entirely with, and shall be borne by, the said Bank of Bengal, who shall have no claim upon the said Secretary of State in Council for compensation or indemnity for or in respect of any such loss or damage.

10. That this Agreement, and the powers and authorities herein contained, and the covenants hereby entered into shall come into operation, and shall continue in operation for the term of five years, from and after a day to be fixed by the Governor-General in Council by notification in that behalf, which shall be published in the Calcutta and Local Government Gazette, within one calendar month from the date hereof, and at the expiration of the said term the Agreement and the powers, authorities, and covenants herein contained may, by notice in writing from the Governor-General in Council to the Directors of the Bank of Bengal for the time being, be renewed, with or without any modifications, as may be agreed on between the Governor-General in Council and the said Directors.

By Order of His Excellency the Governor-General in Council,

*E. Drummond*,
Secretary to the Government of India.

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Financial.—No. 158.

To His Excellency the Right Honourable the Governor General of India in Council.

India Office,
My Lord, London, 16 September 1862.

1. I HAVE received and considered in Council your Financial Letters, dated the 25th March, 21st and 31st May, and 3d July, 1862, Nos. 51, 71, 80, and 99.

2. These letters, together with the previous correspondence with your Government, may, I conclude, be regarded as furnishing tolerably full information relative to your arrangements,

1st. For transferring to Banks in India a considerable portion of the business hitherto transacted at the Government Treasuries; and,

2dly. For introducing a paper currency into India.

3. These subjects are totally distinct in their character, and I was most anxious to keep them altogether separate, but they have been mixed up to a considerable extent in the measures which you have adopted or proposed, and still more so in the views contained in many passages of the papers received from your Government.

4. I shall endeavour, in the observations which I have to make, to keep them as distinct as possible.

5. I will first advert to the arrangements as to the transfer of Government business to the Banks.

6. I have concurred in your proposal to make use of the agency of the Banks of Bengal, Madras, and Bombay for this purpose.

7. I observed, in my Financial Despatch of the 8th April 1862, No. 55, that the remuneration which you have agreed to give them seemed to me to be excessive. The banks were, however, entitled to compensation for the loss of their existing circulation, and as the arrangement is made and is to last only for five years, I will make no further remark on this point.

8. You have, moreover, also conceded to them two indirect advantages:—

1st. The Bank is relieved from the obligation to hold one quarter of its liabilities in specie.

2d. They are, for the first time, allowed to deal in foreign exchanges.

I shall defer my observations on both of these points till after I have adverted to the Currency arrangements.

9. The two important questions as regards the Currency are—

1. The principle on which the issues of paper are to be regulated; and,

2. The agency to which the management of the issues is to be entrusted, so as to obtain the best security for the steady maintenance of the principle of issue.

10. The principle for the regulation of the issues, contained in the Minute of Mr. Wilson, which was transmitted to me in a Financial Letter from the Governor General

General, dated the 29th December 1859, No. 2, was, that notes should be issued to the extent of three times the amount of the reserve of specie. This principle was disapproved in my Financial Despatch of the 26th March 1860, and I desired that what I believe to be the sound principle should be adopted, *i. e.*, that, with a fixed amount of notes issued on security, all the remainder must be issued only on specie deposited with the Department of Issue. This principle was embodied in the Act, No. 19 of 1861, "to provide for a Government Paper Currency," and has received the full approbation of Her Majesty's Government.

11. As regards the agency for the management of the Currency, you have departed widely from the plans proposed by the Government of India in 1859, and which have been entirely approved by Her Majesty's Government.

12. I have seen no reason to change the opinions on this subject which were conveyed to you in my Despatch of the 26th March 1860, No. 47, and in my further Despatches on the same subject. I disapprove of the manner in which you have arranged to make use of the agency of Banks for the purpose of the Currency, and I do not think that you have made sufficient provision for the conversion of the notes beyond Calcutta.

13. In both respects, the safety and success of the measure seem to me to be endangered by your plan.

14. The proposals of Mr. Lushington and of Mr. Wilson, both of which were recommended by the Government of India, contemplated only Government agency, and this view was distinctly and repeatedly sanctioned by Her Majesty's Government.

15. In Mr. Lushington's note of April, 1859 he suggested a plan for an issue of paper in three or four large circles in Bengal and the Upper Provinces of India, to be managed by Officers of Government.

16. In his Minute, dated the 25th December, 1859, Mr. Wilson expressed his conviction that the "only means" by which a note circulation could be extensively applied to India, and made a legal tender, was through the agency of the Government. He proposed that an establishment should be provided in connexion with the Mint, and should consist of a Currency Commission at Calcutta, its functions being confined to the manufacture of notes, and to the exchange of notes for coin and bullion, and that Bengal and the Upper Provinces should be divided into Currency circles, with such stations as Benares, Allahabad, and Delhi as their centres, a Deputy Commissioner being appointed for each circle. The notes were to be dated from the centre of the circles in which they were issued, and to be payable at Calcutta as well as at the place of issue. The notes were to be legal tender, and receivable at the Government Treasuries in payment of taxes.

17. Of this part of Mr. Wilson's plan, the approval of Her Majesty's Government was conveyed in my Financial Despatch to the Government of India, dated the 26th March, 1860, No. 47, (quoted below),* and it was therein stated, that the connexion between the paper issues and the Mint could not be too close, or be made too apparent.

18. The

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* Financial Despatch to India, dated 26th March 1860, No. 47:

"Para. 6. Her Majesty's Government are of opinion that in India the agency for providing and maintaining a paper circulation can best be conducted by the Government.

"9. Mr. Wilson very properly separates altogether the proposal for introducing a paper circulation in India from the consideration of establishing any banking corporation there. It cannot be too generally or too clearly understood that it is the intention of Her Majesty's Government, in sanctioning the introduction of a circulation of Government paper, to keep it entirely and altogether distinct and separate from any banking operations whatever. What is to be done by the Government Establishment in India is simply what is done by the Issue Department of the Bank of England, viz., to exchange notes for bullion and coin, and, *vicè versâ*, or notes of one denomination for those of another.

"10. Her Majesty's Government are of opinion that the proposed establishment of a Currency Commission, the members thereof to be appointed by the Governor General in Council, but not to be removable, except with the concurrence of the Secretary of State; their functions to be strictly defined by an Act of the Legislature, with Commissioners at Madras and Bombay, and Deputy Commissioners in each of the currency circles into which it is proposed that the country should be divided, is well calculated to effect the object in view. They also approve of the intimate connexion which Mr. Wilson contemplates between the Mint and the management of the paper issues, and they think that this connexion cannot be too close, or be made too apparent."

18. The Report of the Select Committee of the Council of the Governor General on the Bill was subsequently sent home, and the Financial Letter from the Government of India, dated the 8th March 1861, No. 35, forwarded a copy of the Bill, as settled in Committee of the whole Council, together with the several Minutes of the Members of the Government thereon.

19. In Mr. Laing's Minute, it was stated that he considered that the best agency for issuing and paying the notes would, generally, be that of the existing Banks, wherever they had establishments, or might be disposed to open branches; and that arrangements were pending for transferring to the Bank of Bengal the cash balances and part of the business hitherto transacted at the Treasuries of the Government, arrangements which, he thought might, with great advantage to the Government, be extended to other Banks and Presidencies.

20. Mr. Beadon was in favour of making use "entirely of Government agency for the issue of notes."

21. The Government of India expressed no opinion on the subject.

22. In my Financial Despatch, dated the 2d May 1861, No. 75,* in referring to passages in the Report of the Committee and in the Minutes of the Members of your Government, I expressed very decidedly the opinion of Her Majesty's Government, that the issue of notes should be kept quite apart from any Banking establishment.

23. I cannot understand how, with full knowledge of all the previous correspondence, and with the passages quoted below taken in connexion with that correspondence, it could be supposed that I had given any sanction to the employment of the Banks as agents of the Government, for the issue of the notes, or of any connexion of the functions of Banking and Currency in one establishment.

24. I did not prohibit, in as many words, the employment of Banks by the Government as the agents of issue, because I never supposed that such a deviation from the consistent and uniform view contained in the Despatches from and to India, of the proper course to be taken in this respect, would have been made, before being submitted to me for my opinion and instructions.

25. It is, I believe, essential, in order to ensure an adherence to the established principle of issue, that it should not be left in the hands of a Bank.

26. The sound principle of issue may be said to have been established before the Committees of the two Houses of Parliament that sat in 1841, and was enforced by the Act of 1844.

27. The issue of notes, however, was, from a regard to existing interests and long usage, continued at the Bank of England, though in a separate department, and subjected to regulations which, if adhered to, would have maintained the recognized principle.

28. Twice, however, since 1844 the demands on the discount Branch of the Banking Department have been such, that the Government has been driven to authorize the Bank to depart from the recognized principle of issue, to infringe the legal restriction, and to issue notes beyond the amount which the specie in the Issue Department warranted.

29. Such

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* "Para. 29. It is provided by Clause IX. that notes shall be issued by the Commissioner to any person, in exchange for silver bullion or coin, at the prescribed rate, exactly, I presume, as silver coin would now be issued in exchange for bullion. I suppose that, under the arrangement proposed, the notes of the Bank of Bengal, being by a given day withdrawn, Government notes will be issued to the Bank as to any other person, in exchange for bullion or coin, and that the Bank will then use these notes precisely as it has hitherto used its own notes; if this be what is intended, I do not see for what they are to receive a certain payment.

"37. You have provided for the creation of Deputy Commissioners of Issue in the different Presidencies, and you have, very properly, given the Government the power of establishing, enlarging, and altering Circles of Issue in any part of India, and I see no reason why this power should not be exercised by establishing Deputy Commissioners of Issue in large towns which you may deem to be the most suitable centres of issue.

"33. The assaying of the bullion must be done by the Mint, and I do not understand how the verification of the notes can be entrusted to any but a Government officer."

29. Such a demand could not have been made on a Department of Government merely exchanging notes for specie and specie for notes.

30. The experience thus acquired has shown that the best, if not the only, mode of ensuring adherence to the established principle of issue is by totally separating the issue from any Banking establishment.

31. It was a strong conviction of this that guided Her Majesty's Government in the measures which were sanctioned for establishing a paper Currency in India, where there were no long-established interests or usages in existence. They believed it to be wise to entrust to Government agency, and to Government agency alone, the issue of paper, as well as of metallic, money, combining, as far as possible, both measures in the same Department of Government, and to leave to Banks only the exercise of legitimate Banking functions.

32. That notes, however issued, should, to a great extent, be brought into circulation through the Banks always appeared to me to be the natural and inevitable course of things, and I stated as much in paragraph 41 of my Financial Despatch of the 2d May 1861, No. 75.* I did not confine my observation to Banks, but included all traders for the transaction of whose business the use of notes might afford great convenience.

33. All money, whether coin or paper, is mainly brought into circulation by the operations of traders, and principally of bankers. This would be the case more especially when there were existing Banks whose power of issue was taken away. The only notes in circulation in Bengal were those of the Bank of Bengal. Those notes had, on their first issue, taken the place of coin, which would otherwise have been required for carrying on the business of the Bank, and when the notes of the Bank of Bengal were withdrawn, the notes of the Government must, as a matter of course (of necessity, I may almost say), take the place of the notes of the Bank of Bengal.

34. In this sense, I always contemplated, that it was through the Banks that paper money would, to a great extent, be brought into circulation, but this would be effected by the Banks, not as agents for Government, in respect of the Currency, but in the exercise of their legitimate Banking functions.

35. With regard to the practical arrangements for the issue of notes at Calcutta, I understand you to have provided for the issue of notes in exchange for specie at the Mint at Calcutta. I am of opinion that the office of the Commissioner of Issue, and the reserve of coin, as well as the means of verifying the notes, should be established at the Mint.

36. It is scarcely practicable to give you directions as to what precise steps should be taken, but you will distinctly understand that the principle to be acted upon is, as far as is consistent with actual engagements, to separate all connexion between the Bank and the issue of Paper Money, and ultimately to constitute the Mint the sole place at Calcutta for the issue of Paper, as well as of coined money.

37. With regard to notes in other parts of the country, there would, according to your proposed arrangements, be no place but Calcutta where coin could be legally demanded for them, and as the cash balances of the Government Treasuries are to be handed over to the Banks, who, by a further part of your arrangement, are relieved from the necessity of holding any proportion of their liabilities in specie, it seems to me that there is no certain provision for the convertibility of the notes in places beyond Calcutta. Her Majesty's Government consider it indispensable for the success of the measure, that there should exist, in certain important places through the country, the power of demanding coin for notes, and it was with a view to this object that the creation of circles was proposed.

38. Such an arrangement of circles in fact exists in England. At the branches of the Bank of England at Manchester, Bristol, Leeds, &c., notes are issued bearing

* "I can quite understand, however, that the notes may be more readily brought into circulation through the medium of bankers, or indeed of other traders."

bearing the name of the place of issue, payment for which in gold may be demanded at the place where they are issued, as well as in London, but cannot be demanded at the other branches.

39. This latter provision is necessary as a protection against an unforeseen run on any one of the branches, but practically the notes issued by any one of these branches are cashed at any other, as well as in London, and the uniformity of the Bank of England currency throughout England is not affected.

40. A similar arrangement was contemplated for India in the formation of circles. It was intended that notes of the Government of India should be issued not only at Calcutta, but at Lahore, Lucknow, and other places, as the centres of circles, similar in all respects to notes issued at Calcutta, but bearing on them the name of the place where they were issued, and for which payment in coin could only be legally demanded at the place of their issue or at Calcutta. The Lahore or Lucknow stamp on a note would give it additional currency in its own neighbourhood, and the cases of notes being carried to distant parts of India would probably not be to a very great extent.

41. It might be possible that, in order to shake the credit of the Government for some political purposes, an extraordinary number of notes might be presented for payment at some one Branch, as, for instance, at Lahore. In such a case, the power of refusing to cash a note issued elsewhere, as at Lucknow, would afford a protection to Government, but in all ordinary cases a Lucknow note would be cashed at Lahore, and *vice versâ*.

42. What the number of circles should be, can be best decided by your Government, with the local knowledge at your command; but it does not appear how more than a very few large circles could be required.

43. I desire, therefore, that Deputy Commissioners may be appointed in such large towns as you may decide upon, and be empowered to exchange notes for coin, and *vice versâ*. It should not be obligatory by law for the Government officers at any one of these places to give coin for notes stamped or issued at other places, but in practice he should give it, if the coin in his possession would enable him to do so.

44. It should be obligatory, however, to give coin for all such notes at Calcutta, as well as at the place of issue.

45. If, as I anticipate, the convenience of Paper Money shall be appreciated in India, it will be for the interest of the Banks to use the notes so as to dispense with the encumbrance of large weights of silver, and with that object to obtain them from the Commissioners or Deputy Commissioners of Issue, and to keep them in circulation by cashing them in small amounts.

46. It is not by the notes being actually converted, but by general confidence in their convertibility, in case of need, and by their being receivable at all the Government Treasuries, that I anticipate the notes becoming part of the ordinary circulation of the country.

47. I apprehend nothing more is necessary to ensure an uniform currency throughout the Presidency of Bengal.

48. I have no wish to make any attempt to force the circulation of notes, which attempt would assuredly and deservedly fail. I wish to afford to the people of India the convenience of a circulation of notes, and I believe that an intelligent community will be sufficiently alive to the convenience of them, to be ready to avail themselves of the advantages thus placed within their reach.

49. I must now advert to a material point in connection with the privileges conceded to the Banks of Bengal and Madras, and, I suppose, of Bombay, viz., the power of dealing in foreign exchanges.

50. It appears to Her Majesty's Government to be very objectionable to allow Banks so intimately connected with the Government as these Banks, and which are entrusted with the custody of the Government balances, to deal in foreign exchanges. The Bank of England does not transact business of that description, which is, in fact, not banking, but speculative commercial business.

51. By

51. By Clause 5 of Act XXVII. of 1855, the Bank of Bengal was authorized, according to the instructions, and at the risk of their constituents, to remit the principal, interest, or dividends of Government securities by public or private bills, whether payable in India or not, and to do all acts necessary or proper for the purpose of making such remittances. But the power to deal in foreign exchanges was not necessary for that purpose.

52. The question of giving a power to deal in foreign exchanges to the Bank of Bengal, which is now proposed, was formerly and on different occasions considered, and that power was always withheld. It is still more objectionable to give it when, as proposed by you, the business of issue is, in a greater or less degree, connected with the business of the Bank.

53. Any Bank to which the balances and Treasury business of the Government are to be entrusted must be restricted to legitimate banking operations, such as those transacted by the Bank of England or by the Bank of Bengal as heretofore constituted.

54. This precaution is indispensable, for it cannot be conceived that a failure on the part of the Bank entrusted with the business of Government to cash a Government note or bill, or to pay any legal demand on the Government, would be held by the Native community to affect only the credit of the Bank. Her Majesty's Government consider that any such occurrence would inevitably be regarded as a failure on the part of the Government itself, and the utmost care must be taken to guard against the possibility of such a contingency.

55. I must desire, therefore, that you will not conclude the arrangement which you were about to make with the Bank of Agra, which deals in foreign exchanges, and Her Majesty's Government cannot sanction the concession which you have made to the Bank of Bengal of allowing it to deal in those exchanges. I have not, however, advised Her Majesty to disallow the Act IV. of 1862, which gives effect to your intention in this respect, in order to give you an opportunity of making provision for the other objects of the Act.

56. Her Majesty's Government are fully sensible of the advantages that would probably arise from the extension of banking arrangements throughout India, but they cannot see that, in order to attain this end, it is necessary to entrust the currency business to the banks. They consider that the establishment of Banks or branches in connexion with Government treasury business, in large towns throughout India, will materially further this object. They believe, also, that those establishments, in the transaction of their proper banking business, will afford great facilities for the introduction of the paper circulation, as, on the other hand, the paper circulation will give great facility for the banking arrangements.

57. Mr. Wilson truly observed that his scheme of currency was not inconsistent with the establishment of a large Bank like the Bank of England. It certainly appears to be preferable that the arrangements of Government should be made with one great Bank, with Government Directors, cognizant of all its transactions, because, in that case, a certain control of Government would be exercised, through the Government Directors, over all the proceedings of the Bank, in its branches, as well as at Calcutta.

58. You have not stated on what ground you have relieved the Bank from the necessity of holding one fourth of its liabilities in specie. The effect of this step, taken together with the transfer to the Banks of the Government balances, which were always held in specie, is to diminish the coin available for the convertibility of the notes; but as the measures for ensuring that convertibility are, in my opinion, ample, I shall not interfere with what you have done.

59. There is one other point put prominently forward in recommendation of that part of the scheme which relates to issuing notes on gold, *i.e.*, that it will effectually contribute to the introduction of a Gold Currency in India, on which I must make some remarks.

60. How that result is to be produced is not explained. All that can take place under this provision is, that gold may be deposited with the Issue Department, and paper money issued thereon. The gold will remain in deposit until it is required by the public for consumption in trade, or for export. When so required

required, it will be taken from the Issue Department, and the notes taken out of circulation. In no case will the gold form part of the currency.

61. The only effect, therefore, likely to arise from that provision, if acted upon to any extent, is, that the paper circulation of India will be subjected to variations which would not have occurred with a circulation of silver, and of paper based on silver.

62. The question of introducing gold into circulation in India is a very important and very difficult one, but it has nothing to do with the issue of notes on gold.

63. The difficulties are of a practical nature, arising mainly from the uncertainty of the relative value of gold and silver, which is not likely to be determined while fresh discoveries of gold are being made.

64. If, by any change in the relative value of the precious metals, the sovereign and 10 silver rupees should become of equal intrinsic value, the introduction of gold would be of comparatively easy accomplishment. At present, however, Her Majesty's Government do not consider that it would be expedient to take any step with a view to that object.

65. The papers now received do not contain any explanation on a point referred to in my Financial Despatch dated the 8th April last, viz., how it is proposed to ascertain the amount of notes kept in circulation by the agency of the Bank. It is obviously easy, if the Bank were the only place of issue; but your scheme contemplates the possibility of issue in other ways, and I am, therefore, desirous of being informed how it is proposed to distinguish the notes kept in circulation through the different agencies. I do not understand that you contemplate allowing $\frac{3}{4}$ per cent. to any other person who may apply for notes, or, indeed, to the Bank of Bengal, for notes beyond those already issued to them and kept in circulation by them, according to the terms of your agreement with them. Any such further allowance certainly ought not to be made.

66. I am not aware of any other point which calls for remark.

67. It is unnecessary for me to give precise directions as regards Madras and Bombay, as the same reasoning and the same principles apply to those Presidencies as to Bengal. I do not quite understand in what state the arrangements are at Madras and Bombay, but Her Majesty's Government is desirous that the same course should be adopted for those Presidencies, as has been pointed out for Bengal. A copy of this Despatch will be sent to the Governments of Madras and Bombay, for their guidance in this respect, and in order that they may be in possession of the views of Her Majesty's Government.

I have, &c.
*C. Wood.*

(Financial.—No. 62, of 1862.)

To His Excellency the Honourable the Governor in Council, Fort St. George.

India Office,
Sir, London, 16 September 1862.

I FORWARD for your information and guidance a copy of a Financial Despatch dated this day, No. 158, which I have addressed to the Government of India relative to the establishment of a Government Paper Currency for India, and to the agreements with the Banks of Bengal, Madras, and Bombay in reference thereto, and to the management of the Government Treasury business.

I have, &c.
*C. Wood.*

(Financial, No. 64.)

To His Excellency the Honourable the Governor in Council, Bombay.

India Office,
Sir, London, 16 September 1862.

With reference to your financial letter, dated the 12th May last, No. 6, transmitting a copy of the proposed Charter Act of the Bank of Bombay, I forward herewith for your information and guidance copy of a Despatch dated this day, No. 158, which I have addressed to the Government of India relative to the establishment of a Government Paper Currency for India, and to the agreements with the Banks of Bengal, Madras, and Bombay in reference thereto, and to the management of the Government Treasury business.

I have, &c.
*C. Wood.*

Financial Department.—No. 1, of 1863.

To the Right Hon. Sir *Charles Wood*, Bart., M. P.; Her Majesty's Principal Secretary of State for India.

Sir, Fort William, 2 January 1863.

We have received your letter of the 16th September, No. 158, in which you discuss our arrangements for transferring the Treasury business to Banks, and for the introduction of a Paper Currency. These subjects, you say, have been confused together in the measures proposed and adopted by us, and still more in the views contained in papers received by you.

2. It is much to be regretted that ground has to some extent been given for the latter part of this conclusion, especially by the infelicitous wording of the agreement between the Government and the Bank of Bengal, throughout which the very important distinction between the words issue and circulation appears to have been overlooked. We think, however, that we are able to show that in our measures, we have adhered to the sound general principles laid down by you.

3. We propose first to consider the transfer of business to the Bank, which you have referred to in paragraphs 6 to 8, and paragraphs 49 to 59.

4. You observe that the remuneration which we have agreed to give the Banks seems excessive, but that as they were entitled to compensation for the loss of their circulation, and as the arrangement is made, and is to last only five years, you will make no further remark on this point; and none seems to be called for from this Government, unless it is pointed out that the payment was intended specially to cover all risks from fraud or erroneous payments, the expenses of managing the circulation, of moving specie, and of creating Branch Banks; in short, to save the probably higher cost which would have been incurred by Government for these objects, if the agency of the Bank had not been employed.

5. In paragraph 8 of your Despatch it is stated that (1) we have relieved the Bank from the obligation to hold one quarter of its liabilities in specie; and (2) have allowed them for the first time to deal in Foreign Exchanges.

(1). With regard to the first point, you observe that the grounds of the withdrawal of this obligation have not been stated, and that the effect of this step, taken together with the transfer of the Government balances which were always held in specie, is to diminish the coin available for the convertibility of the notes. But the convertibility of the Currency was regarded by this Government as secured, and altogether independent of any possible action on the part of the Bank. The concession was claimed by the Bank on the ground that with the withdrawal of the power to issue notes, and in consideration of the character of the business to which the Bank is restricted by its Charter, and of the direct control exercised by the Government Directors over its management, the necessity for the obligation had ceased to exist.

(2). As regards the 2d point, we entirely concur with your opinion as to the concession to the three Banks of any general power to deal in foreign exchanges. The Banks did not ask for, nor did the Government ever intend to grant, any such concession. We considered, however, that the Banks should be enabled to remit to England, in their own bills or by letters of credit, dividends received for their constituents in the Agency Department, which, it is important to bear in mind, is quite separate from the Banking Department, being, like the old Government Agency which it succeeded, entirely confined to business connected with Government Securities (of which about eight millions sterling are deposited with the Bank of Bengal); and as any measures calculated to facilitate remittances of this description must tend materially to improve the character of Indian Securities in the estimation of the English public, it is very desirable on that ground, as well as for public convenience, that this limited concession should not be withdrawn. The limitation depends on the 28th Section of the Charter Act which, under the above explanation of the distinct character of the Agency Department, is believed to be sufficiently restrictive, although its phraseology may seem somewhat loose, and it may be prudent to introduce into the bye-laws a distinct prohibition against all dealings in foreign exchanges proper.

6. With regard to the Currency arrangements, you charge this Government with having departed widely from the plans proposed by it in 1859 for the management of the Currency, which had been approved of by Her Majesty's Government, and you disapprove of the manner in which we have arranged to make use of the agency of Banks, and think that sufficient provision has not been made for the conversion of the notes beyond Calcutta.

7. On referring to the Agreement with the Bank (Sections 6-13), it cannot be denied that these remarks are justified to a considerable extent by the ambiguous terms which have been employed. Our practice, however, we think, fully accords in all essential particulars with the sound principle which you desire to maintain of a purely Government Agency of Issue: a fixed amount of notes being issued on security, and the remainder issued only on specie deposited with the Government Department of Issue. Not a note has been issued except by the Commissioner of Currency at the Mint on the deposit of coin or bullion. The Bank is not an agency for issue, but an agency for circulation after issue, and the course of things has been as follows.

8. The Bank of Bengal, as anticipated in your Despatch, No. 75, dated 2d May, 1861, withdrew its own notes as they came in from the 1st of last March, and substituted for them Currency Notes which it purchased from the Commissioner of Issue with its own funds, to the extent of 2,300,000 *l.*, and which it then retailed, as required, to the public at large; all idea of a monopoly of the circulation being excluded by the provision, that any person wishing to do so, might obtain notes direct from the Commissioner. Of this amount, about 1,500,000 *l.* is in active circulation, and of the remainder, the Bank requires about 500,000 *l.* in its till to meet demands, so that the actual reserve for circulation is not very great, and may be expected to diminish daily. As the circulation extends, the Bank will purchase more notes; or if it contracts beyond what it is convenient to the Bank to meet with its own specie balance, it will return notes to the Commissioner for Coin, and to that extent notes will go out of circulation. On the whole of the notes purchased the Bank receives its commission of $\frac{3}{4}$ per cent., which is paid in consideration of the Bank finding counter space, clerks, and superintendence, conducting correspondence with the public, and risking forgeries and erroneous payments; what is over and above may be regarded as a premium paid by Government for facilitating the operation of commerce by making it worth the while of the Bank to establish Branch Banks. Of these five have been opened (at Mirzapore, Benares, Patna, Dacca, and Rangoon), which have been supplied with Currency Notes according to the probable demand for circulation, and are working in a very satisfactory manner. These notes have a private Bank mark by which they are recognised at the branches and at the head office; those put into circulation by each branch being freely exchanged for coin at their own branch, and if sent elsewhere and paid into any other branch or into the head office, they are immediately returned to the branch to which they belong; the notes of the head office being treated exactly in the same way, except that they are cashed at the branches more charily, and

not

not if apparently employed solely for purposes of remittance. This method secures all the advantages of the circle system, the chief object of which, both in the original scheme of Mr. Lushington, and in Mr. Wilson's, was to meet the difference of exchange between Calcutta and the Upper Provinces; whilst the notes are more readily exchangeable than if they had the name of a district printed on them, which would prevent their ready acceptance out of that district.

9. The issue of Currency Notes, then, does not emanate from the Bank, which is merely charged with the extension of the circulation; and this is in accordance with your expectations, expressed in paragraphs 32, 33.

10. A circle system in some form is no doubt necessary not only to protect the Government from endeavours to shake its credit for political reasons, but still more to guard against the effects of adverse exchanges; but we think that by the arrangement we have indicated, we have secured all the advantages of Mr. Wilson's scheme, without having found it necessary to resort to its expensive machinery.

11. There is little doubt that a long time must elapse before the use of a Paper Currency in India can be general. It is in its nature grounded on public convenience and credit; the latter is obtained in India the moment that the Government identifies itself with it; the former depends on the habits and general intelligence of the people, and their consequent perception of its utility; averse as Orientals naturally are to any thing new, and slow consequently to adopt any change, it will probably be years before much progress is made in local circulation. Multiplied circles and Circle Notes can at any time be resorted to if found necessary, as a natural sequence to our present arrangements and without serious inconvenience; but a return to a uniform note and less complicated and expensive establishments will not prove so easy.

12. Adverting next to the arguments you have advanced from a supposed analogy between the relations of the Bank of England to the English Government, and of the Bank of Bengal to the Indian Government, we particularly wish to point out that there is scarcely any similarity whatever. Here the notes are issued, not by the Bank, but by the Commissioner of Issue at the Government Mint, and an Act of the Legislature alone could warrant the Commissioner issuing a single note unrepresented by specie or securities deposited at the Issue Department. Again, as regards Banking: the Government through its own Directors is well informed as to all the transactions of the Bank, over which it has an immediate and complete control, as was sufficiently proved in 1857, when during a period of pressure, the Government compelled the Bank to restrict its loans and discounts, against the wishes of the majority of the mercantile Directors. That the Government, in the event of a perilous pressure on the Bank, might be forced to render its aid, is indeed undeniable; but this would have always been the case from its position as a shareholder, and this responsibility is quite independent of, and unaffected by, the arrangements connected with the Currency. Any aid, moreover, given under such circumstances, would be given from the Cash Balances, without any infraction of the Currency Laws. Before any comparison, therefore, could be made with the Bank of England, it would be necessary to make the Bank of England Note a Government Note; to transfer the Issue Department to the Royal Mint, and to appoint the Governor and nearly one-third of the Executive Committee and Court of Directors from among the servants of the Crown. It may also be observed that the Bank of England must issue notes for all bullion brought to it; the arrangements here have this advantage, that bullion is ordinarily paid for from the Government Cash Balance, either in coin, or from the reserve of already issued notes in the Bank, the disbursement being replaced by the coinage of the bullion; and the circulation of notes is only affected when the total issue is not equal to the wants of the public. In other words, the issue of notes depends on the demand for them, and not on the bullion market.

13. We concur with your remarks in paras. 59-64 on that part of the scheme which relates to the issue of notes against gold. The provision in the Act is, however, simply permissive, and we have no present intention of acting upon the clause in question.

14. As respects the difficulty anticipated by you in paragraph 65, it need only be remarked that the Bank will be allowed its commission upon all notes in circulation for which it has paid coin or bullion, and as this amount is at all times on record at the Mint, there can be no difficulty in verifying the amount in circulation through the Bank.

15. We have considered it advisable that the foregoing explanations should be brought to your notice, before any steps are taken to incur the risks and outlay which will be involved in the establishment of additional Circles of Issue, since it is quite possible that you may have been led by the somewhat loose language of the Agreement with the Bank of Bengal, to misconceive the nature and the extent of the connection of that Institution with the business of issue properly so called; and we think that you should be distinctly apprised of the fact, that what may be ambiguous in the terms of the Agreement is cleared up, and rendered unobjectionable by the practice of the Bank.

16. There is much force, no doubt, in what is urged in favour of additional Circles of Issue as a means of ensuring the convertibility of the note and thereby enhancing its credit; but experience shows (especially at Rangoon, where the notes are not legal tender, being beyond the Calcutta Circle, but where they have been introduced by the Branch Bank) that, under existing arrangements, the distance of the Centre of Issue has little if any real effect upon the credit of the note; and with not more than three or four additional circles, the question after all becomes only one of degree, while against the additional apparent security for the maintenance of the credit of the note which is thus obtained, must be set, firstly, the disadvantage of having several distinct notes, instead of one uniform note for the whole Presidency; and, secondly, any diminution which the creation of these Circles of Issue may entail in the stringency of the moral and formal obligation to cash notes on presentation which lies on the Branch Banks under the terms of agreements, such as those now existing.

17. We have no doubt that these Agreements, coupled with the power which the Government retains to itself of compelling the Branch Banks to keep reserves of specie for the purpose of cashing notes, will ensure the immediate conversion of all notes presented at the Branch Banks in the ordinary course of business in ordinary times. At periods of crisis or panic, or if notes be employed largely for exchange operations, it may be different, and the holders may, under such exceptional circumstances, be compelled to look to the Department of Issue at Calcutta, just as if the separate circle plan be adopted, they would, under similar circumstances, have to look to the central points of their respective Circles of Issue.

18. Whether, therefore, it be worth while, for this very problematical advantage to incur the expense and inconvenience of the establishment of several Circles of Issue is a question that deserves mature consideration, and which we leave to you to determine; since the measure could not, under any circumstances, be introduced until we receive a supply of the several Circle Notes from England.

19. If, contrary to our present recommendation, the immediate creation of additional circles is insisted upon, provision must be made for the issue of notes at Allahabad, Lahore, and Nagpore, and it may be necessary to insert the values of the notes in the vernacular of each district. This, however, is an important question now under our consideration, on a reference from the Governments of Madras and Bombay, and it is desirable that no new notes should be printed until you have been made acquainted with the decision at which we have arrived.

20. Meanwhile, we shall proceed in our arrangements for the transfer of the Treasury business to Branches of the Bank of Bengal, whenever circumstances appear favourable, in accordance with paragraph 56 of your Despatch, care being taken that all phrases which seem to confer on them any power of interference with or control over the issue of notes are expunged from the Agreements.

21. Adverting to paragraph 11 of our Financial Despatch, No. 71, dated 21st May

May last, we have considered it advisable, with a view to cover the expenses of the Currency, to extend the present limit of investment to 750,000*l.*

We have, &c.,
*Elgin & Kincardine.*
*R. Napier.*
*H. B. Harington.*
*H. S. Maine.*

Fort William, 2d January 1863.

Financial Department.—No. 5, of 1863.

To the Right Honourable the Secretary of State for India.

Right Honourable Sir,

With reference to the orders conveyed in paragraph 32 of your Despatch to the Government of India, under date the 8th April 1862, directing that no arrangement for the transfer of the balances and business of Local Treasuries to any Branches of the Bank of Bengal should be sanctioned without previous reference to you, which instructions, it is presumed, equally apply to the Bank of Madras, we have the honour to submit for your orders the accompanying application of the Directors of the Bank of Madras for the transfer of the Cash Balances and of the business of the Local Treasuries to the Branch Banks which they propose to establish at Cocanada and Calicut, and at the same time to request that we may be authorised to sanction a similar arrangement at Ootacamund and Tuticorin, in the event of the Directors proposing hereafter to establish Branch Banks at those places.

Proceedings, 25 March 1863, Nos. 81 to 84.

We take this opportunity to inform you that, prior to the receipt of your orders above quoted, we had, on the application of the Directors of the Bank of Madras, authorised a Branch being established at Cochin, and directed the Cash Balance in the Taluq Treasury at that place to be transferred to the Branch Bank, on the understanding that the Government should reserve to itself the right of withdrawing such sums as from time to time might be required for remittance for other taluqs or districts. The Directors subsequently requested information as to what maximum and minimum balances the Government would be prepared to place at the disposal of the Bank in the event of Branches being opened at Cocanada, Ootacamund and Negapatam. This information, which is contained in the marginal statement, was furnished to the Directors by the Accountant General in November last, and is that referred to in the first paragraph of the enclosure to their present application.

| — | Average Monthly Balance for the last 3 years. | Minimum. | Maximum. |
|---|---|---|---|
| | *Rs.* | *Rs.* | *Rs.* |
| Cocanada - - | 2,80,388 | 70,000 | 1,05,000 |
| Ootacamund | 25,467 | 6,000 | 10,000 |
| Negapatam - | 1,32,018 | 33,000 | 50,000 |

We have, &c.,
*W. T. Denison.*
*J. Hope Grant.*
*E. Maltby.*
*T. Pycroft.*

Fort Saint George, 25th March 1863.

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Proceedings of the Madras Government, Financial Department, 25th March 1863.

Read the following Papers:—

(No. 81).

From *John McIver*, Esq., Secretary and Treasurer of the Bank of Madras, to the Honourable *A. J. Arbuthnot*, Chief Secretary to Government, Fort Saint George; dated Madras, 23d February 1863 (No. 20-641).

Referring to the Proceedings of Government in the Financial Department of 14th January 1862 (No. 42), and to my letter to the Accountant General of the 16th ultimo, of which a copy is sent herewith, I have the honour by desire of the Directors to request the sanction of the Government for the establishment of Branch Banks at Cocanada and Calicut.

The Directors have come to this resolution without waiting for a reply to their letter

to the Accountant General above referred to, influenced in some measure by a statement laid before them by that officer of the average monthly Cash Balances in the Mofussil Treasuries which has satisfied them that Government can without inconvenience place such sums at the disposal of the Bank at Cocanada and Calicut, as to remove the difficulty that hitherto existed in coming to a decision with regard to the establishment of Branches at these places.

From *John McIver*, Esq., Secretary and Treasurer of the Bank of Madras, to *J. L. Lushington*, Esq., Acting Accountant General, Fort Saint George; dated Madras, 23rd February 1863 (No. 20-192).

REFERRING to my correspondence with your predecessor on the subject of the establishment of Branches of this Bank in suitable localities, and especially to his letter of the 15th November last, naming the amount of Treasury Balances which would probably be placed at the disposal of Branches established at Cocanada, Ootacamund, and Negapatam respectively, I am desired by the Directors to state that the sums there named were so small as to offer no inducement to them to establish Branch Banks at the places named, and the further consideration of the subject was therefore deferred.

The Directors, however, impressed with the importance of the subject in connection with the circulation of the Government Paper Currency, and the development of the material resources of the country, and having been recently solicited by the community of Cocanada to establish a Branch there, are desirous of again inviting the attention of Government to this question, and would therefore solicit that a reference be made to the Government of India with the object of eliciting their views respecting the utilizing of the Government Balances in Mofussil Treasuries, by making them available under such restrictions as may be deemed necessary for promoting the extension of Banking throughout the Presidency, but especially at the places noted in the margin.

Cocanada.
Ootacamund.
Negapatam.
Tuticorin.

(No. 82).

From *J. L. Lushington*, Esq., Acting Accountant General, to the Chief Secretary to Government, Fort St. George; dated 3rd March 1863 (No. 414).

Book and Adjustment Department.

WITH reference to the Order of Government, No. 68, dated 31st January last, Financial Department, I have the honour to forward, in original, a letter * from the Secretary and Treasurer of the Bank of Madras, stating that, under the circumstances therein represented, there is no necessity for entering into an agreement with the Government for the Branch Bank established at Cochin, and observing, at the same time, that when arrangements for the establishment of a Branch Bank at Calicut (regarding which, it appears, a reference has been made to Government on the 23rd February) have been completed, the Directors will be prepared to enter into an agreement.

* No. 20,667 dated 25th February 1863.

For my own part, I do not see how the Bank could enter into an agreement, as Government have granted to the Bank little or no advantages; the Cash Balance in the Taluq Treasury at Cochin was transferred to the Branch Bank, "on the understanding that Government reserve to itself the right of withdrawing such sums as from time to time may be required for remittance for other Taluqs, or districts." (*Vide* paragraph 1 of the Order of Government, No. 395, dated 24th May 1862.)

Adverting to paragraph 5 of the Order of Government of the 31st January last, above quoted, observing that no report has, as yet, been made upon the suggestion of the Directors of the Bank, that British Cochin and Malabar be added to the Madras Circle of Issue, as desired in the last paragraph of the Order of Government, No. 395, dated 24th May 1862, I beg to state that, to all intents and purposes, British Cochin and Malabar are already within the Madras Circle of Issue, inasmuch as Currency Notes are received and issued there, under the same rules as prevail in other districts of this Presidency.

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From *John McIver*, Esq., Secretary and Treasurer Bank of Madras, to *J. L. Lushington*, Esq., Acting Accountant General, Fort Saint George; dated Madras, 25th February 1863 (No. 20-667).

I HAVE the honour by desire of the Directors to acknowledge the receipt of your letter of the 18th instant, in which you inquire if the Directors are prepared to enter into an agreement for the management, by the Bank's Branch at Cochin, of the Treasury business there, somewhat similar to that entered into by the Bank of Bengal for its Branch at Patna, a copy of which you enclose.

In reply, I am directed to state that Government, having accorded no privileges to the Branch at Cochin, in the shape either of a fixed Cash Balance, or an allowance for establishment, the necessity of entering into any agreement is not very apparent.

I am, however, instructed to refer you to the letter addressed by the Bank to the Chief Secretary to Government on the 23rd instant, requesting sanction for the establishment of a Branch of the Bank at Calicut, and to state that when arrangements for the

the establishment of this Branch have been completed, the Directors will be prepared to enter into an agreement with the Government similar to that entered into by the Bank of Bengal in regard to its Branch at Patna, the copy of which is herewith returned.

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No. 83.—ORDER THEREON, 25th March 1863, No. 206.

The application of the Directors of the Madras Bank for the transfer of the Cash Balances, and of the business of the Local Treasuries to the Banks which they propose to establish at Cocanada and Calicut, will be submitted for the orders of the Secretary of State; and at the same time authority will be requested to sanction a similar arrangement at Ootacamund and Tuticorin, in the event of the Directors proposing hereafter to establish Branch Banks at those places.

2. Copies of the Accountant General's letter of the 3d instant, and of its enclosures, will be furnished to the Government of India.

*A. J. Arbuthnot,*
Chief Secretary.

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No. 84.—To the Secretary to the Government of India, Financial Department; dated Fort Saint George, 25th March 1863 (No. 207).

WITH reference to the correspondence noted in the margin,* I am directed by His Excellency the Governor in Council to transmit a copy of a letter † from the Acting Accountant General, with its enclosure, explaining that there was no necessity for entering into an agreement with the Bank of Madras for the establishment of a Branch Bank at Cochin, as no privileges were accorded in the shape either of a fixed Cash Balance or an allowance for establishment. The Cash Balance in the Taluq Treasury at Cochin, I am to state, was transferred to the Branch Bank "on the understanding that Government reserves to itself the right of withdrawing such sums as from time to time may be required for remittance for other Taluqs or districts." ‡

*A. J. Arbuthnot,*
Chief Secretary.

* To Government of India, 21st October 1862, No. 746. From Government of India, 20th December 1862, No. 1,324.

† Dated 3d March 1863, No. 414.

‡ Proceedings of Government, Financial Department, 24th May 1862, No. 395, p. 1.

Financial Department.—No. 8 of 1863.

To Her Majesty's Principal Secretary of State for India in Council, London.

Right Honourable Sir,

WE have the honour to acknowledge the receipt of your Despatch, dated 16th September last, No. 64, and with reference to the 50th paragraph* of your Despatch of the same date to the Government of India (a copy of which accompanied it), on the subject of the transfer of the business hitherto transacted at the Government Treasuries to Banks, and of the establishment of a Government Paper Currency for India, we beg to forward for your instructions extract (paragraphs 6 to 11) from a letter from the Secretary to the Bank of Bombay, No. 73, dated 10th December last.

2. It will be seen that the concession which the Directors ask with regard to dealing in Foreign Exchanges is "simply a power to enable the Bank to remit, for the convenience of its constituents in the Agency Department, sums of money to London by its own Bills, and that the Bank should be allowed to provide funds in London by purchasing here and forwarding to its agents in London Bankers' drafts only."

3. We have, however, modified the Bill for granting a new Charter to the said Bank in accordance with the views expressed in paragraphs 50 to 55 of your Despatch to the Government of India above quoted, reserving at the same time to this Government the power to permit the Bank to deal in Foreign Exchanges to

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* "It appears to Her Majesty's Government to be very objectionable to allow Banks so intimately connected with the Government as these Banks, and which are entrusted with the custody of the Government Balances, to deal in Foreign Exchanges. The Bank of England does not transact business of that description, which is, in fact, not banking, but speculative commercial business."

to the limited extent proposed for the convenience of the Bank's constituents in the Agency Department in the event of your acceding to the request of the Directors; and it is our intention, we would observe, in such a case, to lay it down as a rule, that no Foreign Bill shall be issued by the Bank without the sanction of at least two Government Directors, who must satisfy themselves that the bill is given strictly for the remittance of money by the Bank's constituents in the Agency Department, and for no other purpose.

4. A copy of the Bill, which has been passed by the Legislative Council of this Presidency, is herewith forwarded. The modifications alluded to in the preceding paragraph have been made in Section XXXI., corresponding with the same section of the draft which accompanied our Letter No. 6, dated 12th May 1862. It will further be seen, that the suggestions of the Government of India, contained in their communication noted in the margin,* copy of which was also enclosed with our letter just quoted, have been attended to.

* No. 2525, dated 5th April 1862.

We have, &c.,
*H. B. E. Frere.*
*W. E. Frere.*
*J. D. Inverarity.*

Bombay Castle, 13 April 1863.

EXTRACT Paras. 6 to 11 of a Letter from the Secretary and Treasurer of the Bank of Bombay (No. 7384); dated 10th December 1862.

6. With regard to the second paragraph in your letter, and the observations of the Secretary of State for India regarding Foreign Exchanges, the Directors beg that it may be understood that they never wished or asked for power to deal in Foreign Exchanges; and on this point the Directors would draw your attention to the letter of J. A. Baumbach, Esq., the chairman of the non-official Directors, dated so far back as the 12th of October 1860, in which he says, "With regard to one concession which is supposed by some to have been referred to by the late Mr. Wilson—the permitting the Bank to deal in Foreign Exchanges,—we are fully convinced that the entering into transactions of this kind, so alien to the business hitherto carried on by the Bank, would be very repugnant to the feelings of the great body of the shareholders; while from the number of Banks already established for exchange purposes, it is doubtful if either the Bank or the public would derive advantage from such a measure."

7. The power which the Directors ask for is simply a power to enable the Bank to remit, for the convenience of its constituents in the Agency Department, sums of money to London by its own bills, and that the Bank should be allowed to provide funds in London, by purchasing here, and forwarding to its agent in London, bankers' drafts only. It is this power which the Directors considered was referred to in the first paragraph of the Government memorandum of the 19th March 1861, and which they thought was thereby conceded to them.

8. Transactions under such a power cannot be said to be dealings in Foreign Exchanges, and the Directors consider that they do not come within the scope of the observations made by Sir Charles Wood, in the Despatch of the 16th of September last. Such transactions would not be speculative, for they would not be attended by the slightest risk.

9. The constituents of the Agency Department in the Bank are chiefly private persons, not merchants, who from time to time remit money to England for the use of their families, or who, on leaving India, wish to take with them their capital. The Directors now simply ask for power to accommodate these constituents. The withholding of this power would inconvenience the Bank in dealing with its up-country constituents. For instance: the Bank has established a Branch at Ahmedabad, and if any constituent there should wish to remit 1,000 rupees to his family in England, the agent would not have power to draw a bill. The agent would be obliged to send instructions to the Head Office, in Bombay, to purchase from some other Bank a bill on London. The Directors apprehend that it is not the wish of the Home Government to place the Bank under such restrictions.

10. It must be borne in mind, moreover, that if the power now asked for is granted, it will, at all times, be in the power of Government, by its own Directors, to see that the power is not abused, or exercised in any other manner than that contemplated by the Act.

11. Under these circumstances, considering that the Government of India had consented

sented to grant this limited power, and that such power cannot properly be said to be within the observations of Sir Charles Wood, I am instructed to say that the Directors must ask to have this power conceded to them by the new Act.

True Extract.

*A. D. Robertson,*
Secretary to Government.

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A BILL for the Re-incorporation and Re-constitution of the BANK of BOMBAY.

Preamble.

WHEREAS the provisions of Act No. III. of 1840, whereby the Bank of Bombay was incorporated and constituted, having been found to be in many respects inconvenient and imperfect, or unnecessarily restrictive, it is expedient to repeal the said Act, and also Act No. XXI. of 1854, intituled "An Act to amend the law relating to the several Banks of Bengal, Madras, and Bombay," and Act No. XXVII. of 1855, intituled "An Act to enable the Banks of Bengal, Madras, and Bombay to transact certain business in respect of Government Securities and Shares in the said Banks;" but as to such two last-mentioned Acts, so far only as the same are concerned with the said Bank of Bombay, and to substitute for the provisions in the same Acts respectively contained, so far as the same relate to the said Bank, the provisions in this Act contained. And whereas it is also expedient to confer upon, or confirm, or continue to the Bank of Bombay, as continued or re-incorporated and re-constituted by this Act, such and the same powers and authorities as under or by virtue of Act No. XXIV. of 1861, intituled "An Act to enable the Banks of Bengal, Madras, and Bombay to enter into arrangements with the Government for managing the issue, payment, and exchange of Government Currency Notes, and certain business hitherto transacted by the Government Treasuries," are now possessed or exercisable by the Bank of Bombay, as incorporated and constituted under or by virtue of the said Act III. of 1840, of entering into the arrangements and agreements, and of transacting the business in this behalf in the said Act XXIV. of 1861 mentioned: It is enacted as follows:—

The former Acts repealed.

1. Upon and from the First day of May in the year of our Lord 1863, the said Act No. III. of 1840, Act No. XXI. of 1854, and Act No. XXVII. of 1855, but as to the said two last-mentioned Acts, so far only as they relate to the Bank of Bombay, shall respectively cease and determine, and the same are hereby from the said day repealed.

The Bank of Bombay re-incorporated.

2. The persons who at the time of the determination in manner aforesaid of the said three last-mentioned Acts shall, by virtue of, and in accordance with, the provisions of the said Act III. of 1840, be the proprietors of the Capital Stock of the Bank of Bombay, or who shall at any time thereafter, by virtue and in pursuance of the provisons of this Act become proprietors of any such stock then created or to be thereafter created as hereby provided, and their successors respectively, proprietors for the time being of the same stock respectively, shall, notwithstanding the determination of the said Acts, continue to be and be a corporation, body corporate or politic, with perpetual succession under the name of the Bank of Bombay, and shall possess and enjoy all the rights, powers, and immunities incident by law to a corporation aggregate, subject nevertheless to the provisions of this Act.

Property vested in the Bank as re-incorporated.

3. All the property, moveable and immoveable, and all the things in action, claims, and demands whatsoever, which immediately before the determination as aforesaid of the said Acts shall be vested in or might be made or asserted by the said Bank of Bombay as incorporated and constituted under the same Acts, shall, immediately upon the determination as aforesaid of the same Acts, become vested in and devolve on, and may be made and asserted by the Bank of Bombay as re-incorporated and re-constituted by this Act, and the said Bank of Bombay so re-incorporated and re-constituted as aforesaid, shall be liable and subject to all debts, demands, claims, and liabilities outstanding, or which might be made or asserted against the said Bank at the time of such determination as aforesaid, and no suit or proceeding at law or in equity then pending shall cease or abate, or become defective by reason or in consequence of such determination as aforesaid, and of such re-incorporation and re-constitution of the said Bank by virtue of this Act.

To have a Corporate Seal, &c.

4. The said Bank of Bombay, so as aforesaid re-incorporated and re-constituted, shall, upon the determination as aforesaid of the said Acts, be authorised and empowered to transact all or any of the business which the said Bank is hereby authorised or empowered to transact, and shall and may sue and be sued by its said corporate name, and shall and may use such corporate seal as shall have been theretofore in use, or as the Directors of the said Bank shall have appointed in this behalf, or shall from time to time thereafter appoint, and shall be competent to acquire and hold either absolutely or conditionally, and either in perpetuity or for a term of years, any description of property whatsoever, and shall have power to convey and transfer the same.

The Capital.

5. And whereas it was enacted by the said Act III. of 1840 that the Capital Stock of the Bank of Bombay, by the same Act incorporated, should in amount not be less than fifty lakhs

lakhs of rupees, nor, unless increased as thereunder provided, more than fifty-six lakhs of rupees, and whereas the Capital Stock of the said Bank now amounts to fifty-two lakhs and twenty-five thousand rupees, the whole amount of which has been paid up: it is hereby enacted; that it shall be lawful for the proprietors, at a special general meeting summoned for that purpose, and they are hereby empowered, at such time or times after the determination as aforesaid of the said Acts, and from time to time thereafter, to increase the Capital Stock of the said Bank, so as aforesaid re-incorporated and re-constituted by a certain amount, but so nevertheless as that the whole Capital Stock of the same Bank shall not at any time exceed the sum of two crores and ten lakhs of rupees, and the Directors shall thereupon cause to be issued such and so many new shares upon such conditions and in such manner as to them may seem expedient for raising the amount of capital which at such general meeting may have been authorised to be raised.

**The present Shareholders entitled to Shares in the Bank as re-incorporated.**

6. The capital stock of the Bank of Bombay, so as aforesaid incorporated and constituted under the said Act III. of 1840, shall on the determination as aforesaid of the said Acts, continue to be and be the capital stock of the Bank of Bombay so as aforesaid re-incorporated and re-constituted under this Act, and shall continue to be divided into shares of one thousand rupees each; and such shares shall continue to bear the same numbers as theretofore; and the shares which at the time aforesaid shall be registered in the name of the Governor in Council of Bombay shall be the property of the said Governor in Council for the time being, and the shares which at the time aforesaid shall be registered in the name of the individual proprietors, shall continue to be the property of such proprietors, but shall be deemed to be shares in the Capital Stock of the said Bank so as aforesaid incorporated and constituted under this Act; and in case the Capital Stock of the said Bank shall at any time thereafter be increased by virtue and in pursuance of the provisions of this Act, the new or additional Capital Stock so created shall in like manner be divided into shares of one thousand rupees each, and such shares shall be numbered in continuation of the numbers of the then existing shares, and no separate interest or share in or of the said Capital Stock of less amount than one thousand rupees shall be created or held by any proprietor, nor shall any proprietor or other person be entitled to claim a share of such new or additional Capital Stock of less amount than one thousand rupees.

**Register of Shares.**

7. The said Bank so re-incorporated and re-constituted by this Act or the Directors thereof, shall cause to be kept in one or more books at their principal office in Bombay, a register of proprietors of shares in the Capital Stock of the said Bank; and there shall be entered therein the following particulars:

1. The names, addresses, and occupations (if any) of the said proprietors, and the shares held by each of them, distinguishing each share by its number.

2. The amount paid on the shares of each proprietor.

3. The date at which the name of any person was entered in the register as a proprietor of shares or a share.

4. The date at which any person ceased to be a proprietor of any share, and as soon as conveniently may be after the determination as aforesaid of the said Acts, the Directors shall register, in manner aforesaid, the persons who at the time of such determination shall be the proprietors of the capital stock of the said Bank, as incorporated and constituted under the said Acts so as aforesaid determined.

**Certificate of Shares.**

8. A certificate, signed by three of the Directors of the said Bank, as re-incorporated and re-constituted under this Act, shall, after the determination as aforesaid of the said Acts, and on request being made in this behalf by the proprietors, or any of them, of shares or a share in the Capital Stock of the said Bank then created or thereafter to be created, be given to such proprietors or proprietor, and such certificate shall specify the number of the share in respect of which the same shall be granted; and any person being the proprietor of more than one of such shares may, at his option, require such certificate as aforesaid in respect of each of such shares, or one certificate for all the shares of which such person is proprietor, and according to such requisition, such certificate, signed as aforesaid, shall be delivered to such proprietor. Such certificate, signed as aforesaid, and specifying any share or shares held by any proprietor, shall be *primâ facie* evidence of the title of the proprietor to the share or shares therein specified: Provided always, that such certificates shall not be granted to persons who shall be proprietors of shares or a share in the said Bank at the time of the determination as aforesaid of the said Acts, or their successors, unless they shall deliver up to be cancelled the certificates or certificate of such shares or share theretofore granted, or shall satisfy the Directors of the loss or destruction of such certificates or certificate.

**Trustees not recognised.**

9. No notice of any trust, express, implied, or constructive, shall be entered on the register, or be receivable by the said Bank, nor shall the Bank in any case recognise or be affected with notice, express or otherwise, of any trust, charge, lien, estate, or interest whatsoever, reversionary or otherwise, of, upon, in, or in respect of any of the said shares in the said Bank, other than the legal estates or interests therein of the person or persons in whose name or names the said shares or share shall be registered: provided always, that nothing in this section contained shall be construed to restrict the operation which any

any judgment, decree, order, writ, or other process of any court of justice would, in the absence of this section, have had.

Transfer of Shares.

10. The shares in the capital stock of the said Bank, so as aforesaid re-incorporated and re-constituted under this Act, shall be of the nature of personal estate, and shall not be of the nature of real estate, and the same shall be transferable by a deed in the form set forth in Schedule A. hereto annexed; and which deed shall be executed both by the transferror and transferree, and may be either a separate deed or a deed indorsed on the share certificate; provided always, that no such separate or indorsed deed of transfer shall be effectual to transfer the share or shares thereby intended to be transferred until such separate or indorsed deed of transfer shall have been registered at the Bank of Bombay, in manner aforesaid, and such registration shall have been duly noted on such separate or indorsed deed of transfer, or duly certified in writing, under the hand of an officer appointed for that purpose by the Directors of the said Bank; but the transferror shall be deemed to remain the proprietor of such shares or share until such registrations and notification or certificate, as last mentioned, shall have been made or given.

Shares of deceased Proprietors.

11. The executors or administrators of a deceased proprietor shall be the only persons recognised by the said Bank as having any title to his shares or share, and any person becoming entitled to shares or a share in the capital stock of the said Bank, in consequence of the death, bankruptcy, or insolvency of any proprietor, or in consequence of the marriage of any female proprietor, or in any way other than by indorsement or transfer, may be registered as a shareholder, upon the production of such evidence of title as may be required by the Directors.

Register may from time to time be closed.

12. The Directors of the said Bank, so re-incorporated and re-constituted as aforesaid, by giving notice in the Bombay "Goverment Gazette," may from time to time close the register of proprietors for any period or periods not exceeding in the whole 21 days in any one year, and during such period and periods it shall not be compulsory upon the Directors to register any transfer of any share.

Registered Proprietors to form the Corporation.

13. The said Bank of Bombay, as re-incorporated and re-constituted under this Act, shall consist and be composed of the registered proprietors for the time being of the said shares of the capital stock of the said Bank, and of no other person or persons whatsoever.

Directors.

14. The business of the said Bank shall, until the appointment in manner hereinafter provided of new Directors, be managed by the persons who at the time of the determination in manner aforesaid of the said Acts shall, by virtue and in pursuance of the same Acts or any of them, be the Directors of the said Bank as thereby incorporated and constituted, and such persons shall be the first Directors of the said Bank so as aforesaid re-incorporated and re-constituted by this Act; and after the appointment, in manner hereinafter respectively provided, of new Directors, the business of the said Bank shall be managed by nine Directors, of whom three shall from time to time be appointed and removable by the Governor in Council of Bombay, and the remaining six shall in manner hereinafter provided and from time to time be elected by a general meeting of the proprietors of said Bank, and shall be removable by vote of the majority of a general meeting of the said proprietors. Provided that any three or more of the Directors shall form a quorum for the transaction of the business at any meeting of the Directors, and such three or more Directors shall have power and authorities of the entire number of the Directors.

Proviso.

Directors to be elected on the second Monday in December.

15. The election of such Directors as are to be elected as aforesaid by the proprietors shall be made at a general meeting of the proprietors, to be held on the second Monday in December, or any adjournment thereof; and such election shall be made by the proprietors of shares in the capital stock of the said Bank, who shall be present at such meeting or adjourned meeting, and shall vote at such election, or who shall vote at such election by proxy.

Directors to retire by rotation.

16. Two of the six elective Directors for the time being shall, in rotation, go out of office on the second Monday in the month of December in every year, on which day in every year a general meeting of the proprietors shall be held for the election of two Directors in their stead; and the six persons who, at the time of the passing of this Act, shall be Directors shall retire by rotation, in such manner as they would have retired if this Act had not been passed; provided always, that any Directors going out by rotation as aforesaid may not be re-elected at the election which takes place thereupon.

Election of Directors.

17. The appointment of any Directors, to be elected by the proprietors as aforesaid, shall be deemed to have taken place on the result of such election being declared by the President of the meeting at which such election shall take place, and they and the said other Directors, from time to time to be appointed by Government, shall thenceforth be Directors of the said Bank, and have the powers and authorities of Directors; provided always, that if at any such meeting or adjourned meeting of proprietors, held for election of Directors, no such election shall be had, the persons who, previously to such meeting or adjourned meeting, were Directors, shall continue to be and act as Directors till such election shall be duly had; and such meeting or adjourned meeting shall be adjourned to any day, at a distance of not more than one month, for the election of Directors as aforesaid.

**Vacancies among Directors.**

18. In case of death, resignation, or absence from Bombay for more than three months, or disqualification under Section 21, or removal, as aforesaid, of any Directors or Director to be elected by the proprietors as hereinbefore provided, the surviving or continuing Directors or Director, or the Directors or Director other than the Director or Directors so being absent or being disqualified, or having been removed, shall, in manner hereinafter provided in the cases of extraordinary general meeting, call a general meeting of the proprietors, to be held within 15 days of the day of the notice for that purpose, of electing, in manner aforesaid, a successor or successors to such Directors or Director so dying, resigning, being absent, becoming disqualified, or being removed, and such successors shall, in regard to the rotation above mentioned, be deemed to be in place of the Director in whose stead he shall have been so appointed.

**Qualification of Directors.**

19. No person shall be capable of serving as a Director by election of the proprietors who shall not be proprietor in his own right of twelve unincumbered shares of 12,000 rupees of the capital stock of the Bank of Bombay, or who shall be Director of any other Bank having a place of business within the town or island of Bombay; and in case of more than one member of any mercantile firm or company (being other than a joint stock company) being elected Directors, or where any Director shall become a member of such firm or company, there being already a member of the same firm a Director, only one of such members shall act as a Director.

**Voting at Meetings.**

20. At all general meetings of the proprietors every election and other matter in question shall be decided by a majority of votes; and no person shall be allowed to vote at any such meeting, in respect of any shares or share of the said capital stock, until six calendar months after the time when he shall have become a registered proprietor of such shares or share, unless such share or shares shall be acquired, or shall have come by bequest, marriage, or succession to an intestate's estate, or by any deed of settlement after the death of any person who shall have been entitled for life to the dividends of such shares. If more persons than one are jointly entitled to a share or shares, the person whose name stands first in the register of shareholders as one of the holders of such share or shares, and no other, shall be entitled to vote in respect of the same.

**Scale for Voting at General Meetings.**

21. At all such general meetings the proprietors, having a right to vote at such meeting, shall vote according to the following scale:—

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| The proprietor of 4 | shares of 1,000 | Rupees | shall be entitled to | - | - | 1 | vote. |
| 20 | „ | „ | „ | - | - | 2 | „ |
| 40 | „ | „ | „ | - | - | 3 | „ |
| 60 | „ | „ | „ | - | - | 4 | „ |
| 80 | „ | „ | „ | - | - | 5 | „ |
| 120 | „ | „ | „ | - | - | 6 | „ |
| 160 | „ | „ | „ | - | - | 7 | „ |

And no proprietor shall be entitled to more than seven votes.

**The Governor in Council may vote by Proxy.**

22. It shall be lawful for the Governor in Council of Bombay, by writing signed by one of the Secretaries to Government, to appoint any person as a proxy to attend any general meeting of the proprietors; and such proxy shall be entitled to give seven votes upon all matters or questions that may be submitted to such meeting, except upon the election or removal of such Directors as are elected by the said proprietors

**Proxies.**

23. Any proprietor or proprietors entitled to vote in person at any general meeting may, by writing under his, her, or their hand, or the hand of his, her, or their attorney, duly authorised, or if the appointor is a corporation, under their common seal, appoint any other registered proprietor, as his, her, or their general or special proxy on his, her, or their behalf, to attend, take part, and vote at any general meeting or meetings, according to the terms and instructions contained in the instrument of appointment; and such proxy shall have the same number of votes and all such powers as are given by such instrument, being such as the person or persons so appointing him would have possessed if personally present, provided the instrument of appointment shall be deposited at the chief place of business in Bombay of the said Bank not less than forty-eight hours before the same can be acted on. Any vote or act otherwise valid of any person appointed to act as such proxy shall not be afterwards objected to or questioned merely on the ground of the revocation, whether by operation of law or otherwise, of the authority of such person to act as such proxy, unless notice in writing of such revocation shall have been served at the last-mentioned place at least forty-eight hours before the time when such vote or act shall have been given or done, unless at such last-mentioned time such objection or question shall have been raised.

**The President.**

24. At the first meeting of the Directors in every year, they shall choose a president from among themselves; and if the office of the president shall become vacant, they shall, at their next meeting, choose a successor for the remainder of the current year; and during any vacancy, or in the absence of the president, the senior Director present shall be vice-president for the time being, and shall preside at general meetings of the proprietors and at meetings of the Directors; and in all cases of an equal division of votes at meetings, either of proprietors or Directors, the President or Vice-President shall have a casting vote in addition to any votes or vote he may be entitled to give in his own right or as a proxy.

25. If

Chairman at meetings

25. If at any meeting of proprietors such President, Vice-President, or any Director shall not any of them be present at the time of holding the same, the proprietors present shall choose some one of their number to preside at such meeting; and the person so as aforesaid presiding at such meeting shall, in case of an equality of votes, have a casting vote. The person presiding over any such meeting may, with its consent, adjourn the same from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the time from which the adjournment took place.

Mode of voting at General Meetings.

26. At any general meeting, unless a poll is demanded by at least five proprietors, a declaration by the President for the time being that any resolution, regulation, or other matter has been arrived at, made, or concluded, and an entry to that effect in the minutes of proceedings of the said Bank shall be sufficient evidence of the fact, without proof of the number or proportion of the votes recorded in favour of or against such resolution, regulation, or other matter; and if a poll shall be demanded in manner aforesaid, the same shall be taken in such manner as such President shall direct, and the result of such poll shall be deemed to be the resolution of the said proprietors in general meeting.

The Secretary, &c., empowered to draw Bills, &c.

27. The persons for the time being holding the offices of Secretary and Treasurer, or of Secretary alone, or of Deputy Secretary of the Bank of Bombay as re-incorporated and re-constituted under this Act, are hereby respectively authorised and empowered, for and on behalf of the said Bank, to indorse and execute transfers of Government and other securities standing in the name of the said Bank, to draw, accept, and indorse bills of exchange, promissory notes, bank post-bills, and letters of credit connected with the current and ordinary business of the Bank, and to sign all other documents connected with such business, except documents under seal, other than such documents under seal, as may be required to be executed for the purpose of transferring Government or other securities standing in the name of the said Bank.

Seal of the Bank.

28. The seal of the Bank shall not be affixed to any deed or instrument except in the presence of three Directors, whose signatures shall be duly attested by neutral parties, and any document to which the seal of the Bank shall be so affixed, and shall be so executed and attested as aforesaid, shall bind the said Bank and operate as the act and deed of the Bank.

Officers of the Bank not to engage in any other business.

29. No person being or acting as Secretary, and Treasurer, Deputy Secretary, Head Accountant or Head Shroff of the Bank of Bombay, or as Inspector, Agent, Manager, Accountant, Shroff, in any other office at any Branch Bank or Agency, shall engage in any other Banking or commercial business, either on his own account, or as agent for any other person or persons, or act as a broker for the sale or purchase of Government securities; and every person appointed to hold or act in any one or more of the said offices, and all such other officers from whom the Directors may from time to time think fit to require it, shall give security to the Directors for the faithful discharge of his duty to the satisfaction of the Board of Directors, and in such amount and in such manner as they shall think proper. Provided always that the security to be given as aforesaid by the person holding or acting in the offices of Secretary or Treasurer, or both, shall not be in a less amount than 50,000 rupees.

Directors may delegate their powers.

30. The Directors, by letter of attorney, or other deed or writing, may delegate to Directors, Local Committees, Inspectors, Managers, Agents, and other officers respectively, any of the powers of the Directors for the due conduct, management, and regulation of any of the business or affairs of the Company, and for any of such purposes may authorise the Secretary and Treasurer, or the Secretary alone, to depute or delegate any of the powers hereby conferred on him by Section 27, to any person or persons for carrying on any branch business or agency of the Bank of Bombay.

Powers of Directors.

31. The Directors of the said Bank for the time being shall be at liberty, and they are hereby authorised and empowered to execute and exercise all such powers and authorities of the said Bank as re-incorporated and re-constituted by this Act, as are not by any of the provisions hereof declared to be exercisable only by the proprietors in general meeting, subject nevertheless to the provisions of this Act, and of such by-laws, regulations, and orders, as may from time to time be made under Section 45 of this Act. And, in particular, the said Directors are authorised and empowered to exercise and execute the powers and authorities following:—(A) To provide suitable offices and buildings for the use of the said Bank, and to do all acts necessary or proper for that purpose. (B) To sell or exchange all or any of the movable or personal, or immovable or real property or estate of the said Bank, and to apply the moneys produced by any such sale as capital of the Bank. (C) To continue the persons who at the time of the determination as aforesaid of the said Acts shall hold the respective offices of Secretary and Treasurer, Secretary, Deputy Secretary, Accountant, or Shroff, or shall be acting as agents, or be otherwise in the employment of the said Bank, as incorporated and constituted by the said Acts in such respective offices or as such agents, or in such employment, or at such time, or at any other time, and from time to time to appoint persons to fill or hold such offices or any of them, or to act as such agents or in such employment of, for, or on behalf of the said Bank as re-incorporated and re-constituted by this Act, and to appoint such other officers, clerks, or servants as the Directors may consider necessary for the conduct and carrying

on of the business of the said Bank, and from time to time to remove any such officers clerks, or servants as aforesaid, and to fix and appoint the salaries, remuneration, or wages of such officers, clerks, or servants. (D) To institute, conduct, defend, and compromise, or abandon as they may think expedient any legal proceedings relating to the property or affairs of the said Bank, and to submit to arbitration any matter in difference between the said Bank and any other persons or person. (E) To compound for or abandon any debt, claim, or demand due to or maintainable by the said Bank, and to give time for payment or satisfaction thereof. And subject as hereinbefore mentioned to exercise the entire management, superintendence, and control of and over the business and affairs of the Bank, and in such manner as shall appear to them, the said Directors, most advantageous to the said Bank, and for the purposes of the exercise and execution by them of any of the powers and authorities hereby vested in them, or made exercisable by them, the said Directors may (if necessary) cause the common seal of the said Bank to be affixed to any deed or other instrument, and any deed or instrument, having affixed to it the said common seal, and bearing the signature of three Directors of the said Bank for the time being, shall be deemed to be a deed or instrument duly executed by the said Bank.

Business of the Bank,

32. The said Bank of Bombay, as re-incorporated and re-constituted under this Act, may, and is hereby authorised and empowered to carry on and transact the business hereinafter specified, but shall not engage in or carry on or transact any other adventure, trade, or business than such particular kinds of business, that is to say:—

1st. The advancing and lending money on Government securities, or on the security of shares in any of the incorporated Indian Railway or other public companies in India.

2d. The discounting, buying, and selling of bills of exchange, and other negotiable securities payable in India; provided that the Directors of the Bank of Bombay shall have power to open drawing accounts with the Banks of Bengal and Madras, and to make from time to time, with or without collateral security, such temporary advances to either of these corporations as to the said Directors shall appear to be expedient.

3d. The making of investments of the moneys of the said Bank in Government securities, and from time to time altering, converting, and transposing such investments for others of a like nature.

4th. The making, issuing, and circulating of bank post-bills and letters of credit, made payable in India, to order or otherwise than to the bearer on demand.

5th. The buying and selling of gold or silver bullion.

6th. The receiving of deposits, keeping cash accounts, and granting cash credits.

7th. The granting loans and making advances upon any goods, wares, merchandise, or other property or securities of the description above mentioned which, or the documents of title to which, shall be deposited with or assigned to the said Bank as security for such loans and advances, and the selling and realization of the proceeds of sale of any such goods, wares, merchandise, or other property or securities which, or the documents of title to which, have been so deposited or assigned, or which shall be held by the said Bank, and over which the said Bank shall be entitled to any lien or charge in respect of any such loan or advance, or any debt or claim of the said Bank, and which said goods, wares, merchandise, property, security, or documents of title, so as aforesaid deposited with, assigned to, or held by the said Bank, shall not in due time in accordance with the terms and conditions (if any) of such deposit or assignment have been redeemed.

8th. The acting as agents, either for commission or profit, or otherwise in the transaction of the following kinds of business:—The taking charge of any Government or other securities or shares in any Railway, Bank, or Joint Stock Company. The receiving of the interest or dividends on any such securities or shares. The investment of any money deposited in the said Bank of Bombay in any of the said securities or shares. To sell or transfer any such securities or shares deposited with the said Bank, or to receive any principal money that may be payable thereon. To invest the principal and interest and dividends so received or the proceeds of such sale as last aforesaid in any such securities or shares, or according to the instruction of their constituents to hold or pay such principal interest, dividends, or proceeds, or at the risk of such constituents to remit the same by public or private bills, either payable in India or in Great Britain or Ireland, and to do all acts necessary or proper for the purpose of effecting such remittances, provided that if any such remittance be made in a bill of the said Bank, such bill shall be payable in India; and provided also that, notwithstanding anything hereinbefore contained, it shall be lawful for the said Bank, if authorised so to do by the Governor in Council of Bombay, to draw bills of exchange and grant letters of credit, payable out of India, for the use of their constituents in the Agency Department for the remittance of funds realised by them acting as Agents in the manner aforesaid, and to buy bills of exchange payable out of India for the purpose of meeting such bills or letters of credit.

33. The

33. The said Bank of Bombay, as re-incorporated and re-constituted under this Act, shall and may have and exercise the same powers and authorities as under and by virtue of Act 24 of 1861 were conferred upon or made exercisable by the Bank of Bombay as incorporated and constituted under Act 3 of 1840, of entering into and carrying out the arrangement and agreements in the said Act 24 of 1861, in this behalf mentioned, and of the transacting, in addition to the modes of business in which the said Bank might at the time of passing such last-mentioned Act be by law engaged and in manner in this behalf in Section 2 of the same Act mentioned, all or any of the business in this behalf in the same section mentioned. **Bank authorised to act under Act XXIV. of 1861.**

34. The Directors of the said Bank, as re-incorporated and re-constituted under this Act, shall make no loan or advance of money or securities for money to any person or persons on the security of any shares or share, or certificate of shares, or a share in the capital stock of the Bank of Bombay; nor shall they make any loan or advance on the mortgage, or in any other manner, on the security of any lands, houses, or other immovable property, or on the title-deeds relating thereto. **Bank not to purchase or advance on its own shares.**

35. The Directors of the said Bank shall cause the books of the said Bank to be balanced on the 30th day of June and the 31st day of December in every year, or at such other times as may from time to time be determined by the Directors; and a statement of such balance, showing generally how the same is arrived at, signed by a majority of the said Directors, shall be forthwith transmitted to one of the Secretaries to the Governor in Council of Bombay; and the Governor in Council of Bombay shall at all times be entitled to require of the said Directors any information touching the affairs of the said Bank, and the production of any documents of the said Bank, and the said Directors shall comply with every such requisition. **Books to be balanced half-yearly.**

36. An account of the profits and losses of the said Bank shall be taken half-yearly on the 1st day of January and the 1st day of July in every year, or at such other times as may from time to time be determined by the Directors; and a dividend thereof shall be made so soon thereafter as conveniently may be, and the amount of such dividend shall be determined and declared by the Directors of the said Bank on the ground of the actual profits made by the said Bank during the six calendar months preceding the day up to which such half-yearly account shall be taken: provided that the said Directors shall have power from time to time, and whenever they see fit, to set apart from such profits such sum or sums as they may consider necessary or expedient in this behalf, and add or appropriate the same to the reserve fund which may from time to time have been set apart to answer contingent or extraordinary purposes or liabilities. **Dividends.**

37. Unless some other time shall be prescribed by the proprietors of the capital stock of the said Bank, on the first Monday of the month of August in every year, a general meeting of the said proprietors shall be held at such place and time as may be determined by the Directors, due notice of such place and time being published by advertisement in the official "Bombay Gazette," at which meeting the Directors of the said Bank shall submit to the said proprietors a statement of the property and liabilities of the said Bank and of its income and expenditure during the preceding year ending on the preceding 30th of June, or such other day as shall be determined on by the Directors; and such ordinary general meeting shall be competent to pass resolutions and regulations and frame rules and directions relative to the affairs, management, and conduct of the said Bank, which shall be binding on the directors and officers of the Bank, and on the proprietors thereof, until rescinded or modified respectively by any subsequent general meeting. **General Meetings.**

38. At the first general meeting, in every year one or more auditor or auditors shall be appointed for the current year by a majority of the votes at the meeting, and in case of any casual vacancy occurring in such office the vacancy shall be filled forthwith by a special general meeting to be summoned for the purpose. No director or other officer shall be eligible as an auditor. An auditor shall be re-eligible on his quitting office. **Appointments of Auditors.**

39. The above-mentioned general meetings shall be called ordinary meetings; all other general meetings shall be called extraordinary or special general meetings. **Ordinary and Extraordinary General Meetings.**

40. Any three of the directors or any ten proprietors of the said Bank may at any time convene a special general meeting of the proprietors, upon giving fifteen days' previous notice of such meeting, and of the purpose or purposes for which the same shall be convened, as well to the Secretary and Treasurer of the said Bank for the time being as also by public advertisement in the "Bombay Government Gazette:" Provided that at such special general meeting convened by the Proprietors or Directors no other business shall be entered on except what relates to the purpose or purposes mentioned in the notice convening such meeting. **Convening of Special General Meeting.** **Proviso.**

41. It shall be lawful for the Directors of the said Bank of Bombay, and they are hereby authorised and empowered, with the sanction of the Governor in Council of Bombay, to form such business relations with, and to establish Branch Banks or agencies at, such other places than Bombay as they may deem expedient for the interests of the said Bank; and the Directors of the said Bank shall have full power, as they may think fit, to suspend or discontinue such relations, Branch banks, and agencies, and to make such **Power to establish Branches.**

such regulations for, and impose such restrictions and conditions upon, the conduct and transaction of business by such Branches or agencies as they may think fit, such regulations not being inconsistent with the provisions of this Act, or the regulations and bye-laws for the time being in force and binding upon the said Bank; and for the carrying on, conduct, and management of the business and affairs of the said Bank, so far as the same shall fall tothe part of the said Branch Banks or agencies hereby authorised to be established in accordance with such last-mentioned regulations, restrictions, and conditions, the said Directors may from time to time, by letter of attorney or other deed or writing, appoint, and from time to time remove, such persons as may seem to them proper in that behalf to form a local board or committee of management, or to act as inspectors, managers, or agents of or at such Branch Banks or agencies, and may also from time to time appoint and again remove or dismiss such persons as may seem to them proper in that behalf to act as clerks or servants of or at such Branch Banks or agencies, and may fix the amount of the remuneration, salary, or wages to be paid to the members of such local board or committee, or to such inspectors, managers, agents, clerks, and servants; and the said Directors shall be at liberty, and they are hereby authorised and empowered by the instrument of appointment, or any other letter of attorney, deed, or other writing, to delegate or cause to be delegated to the said boards or committees, or any number of the members thereof, or the said inspectors, managers, or agents, any of the powers and authorities by this Act vested in or made exercisable by them the said Directors, or any of the powers and authorities by Section 28 of this Act vested in or made exercisable by the Secretary and Treasurer, or Secretary alone, or Deputy Secretary of the said Bank, such powers and authorities nevertheless not being inconsistent with and being subject to the provisions of this Act, and the resolutions, regulations, and bye-laws for the time being in force and binding on the said Bank.

**Power to take over capital, assets, &c., of any other Bank.**

42. It shall be lawful for the Directors of the said Bank from time to time to enter into negotiations for and to purchase and take over the capital, assets, and business of any other Bank within Her Majesty's Indian Territories of which the capital is divided into shares, and to grant and allot to the shareholders or proprietors in such Bank, in full of their respective right, title, and interest in such capital, assets, and business, a sufficient number of shares in the capital stock of the said Bank of Bombay (which number shall be determined by the Directors), and for that purpose increase the capital stock of the said Bank by the issue of such number of shares as may be so determined on. The shareholders or proprietors of the purchased Bank to whom such new shares shall be allotted shall be proprietors of the Bank of Bombay, and be in all respects in the same position as if they had respectively subscribed and paid for the shares so allotted to them: provided always that the business so purchased shall after the purchase be carried on by the said Bank of Bombay with and subject to the several restrictions contained in this Act.

**Shares of Proprietors indebted to the Bank.**

43. If any of the said proprietors shall become indebted to the said Bank, it shall be lawful for the said Bank to withhold payment of the dividends on the share or shares of such proprietors until payment of such debt, and to apply such dividends towards payment, and after demand or default of payment, and notice in that behalf given either to such proprietors or his or her constituted agent, or by public advertisement in the official *Gazette*, it shall be lawful for the said Bank to refuse registration of the transfer of any such share or shares of such proprietors until payment of such debt, and if the same shall remain unpaid for the space of six months after such notice, to advertise for public sale, and to sell and dispose of such share or shares, or so many of such shares as may be necessary, and to apply the proceeds thereof towards payment of such debt, with interest, at the rate of six per cent. per annum, paying over the surplus, if any, to such proprietors or his or her lawful representative; and the name of the purchaser or purchasers of such share or shares shall be registered as proprietor or proprietors thereof.

**Winding up.**

44. The provisions contained in Part III. of Act 19 of 1857, intituled "An Act for the Incorporation and Regulation of Joint Stock Companies and other Associations, either with or without Limited Liability of the Members thereof," so far as the same apply to the winding-up and dissolution of limited companies, shall be held and deemed to be applicable to the Bank of Bombay as re-incorporated and re-constituted by this Act, so far as the circumstances of the case will admit of their being so applied as if the same provisions had been incorporated with this Act: Provided always, that the words "the Company" or "a Company," as used in the same provisions, shall be construed to mean "the said Bank of Bombay as re-incorporated and re-constituted by this Act;" that the said Bank, if wound up, shall be wound up by the High Court of Judicature at Bombay, and that the words "the Court," as used in the said provisions, shall be construed to mean the said High Court at Bombay; that, regard being had to the fact that the said Bank is not a registered corporation, the words, "registered offices," as used in the said provisions, shall be construed to mean "the principal place of business at Bombay of the said Bank," and that such of the said provisions as require notices, report, or return to be sent to the Registrar of Joint Stock Companies shall not be deemed applicable to the said Bank of Bombay, but that for the purposes of Section 94 of the said Act 19 (and which section is comprised in the 3d paragraph thereof), the said Bank of Bombay shall be deemed to have been registered at Bombay, and that for the purposes of Sub-Section 2 of Section 95 of the said Act 19 (also comprised in the 3d part) the period of one month therein mentioned,

mentioned, on the expiration of which the said Bank of Bombay shall be deemed to be dissolved, shall commence on the date of publication by the liquidators in manner therein mentioned of such resolution as is therein referred to; that the words "Company in General Meeting," or "General Meeting of Shareholders," as used in the said provisions, shall be construed to mean any extraordinary or ordinary general meeting of the proprietors of the said Bank of Bombay respectively, summoned and held in manner hereinbefore provided, or by the liquidators in manner mentioned in Sub-Section 10 of the said Section 95; and provided, lastly, that the words "Articles of Association," or "Regulation of the Company," as used in the said provisions, shall be construed to mean the provisions of this Act or any resolutions, regulations, or bye-laws for the time being in force and binding on the said Bank of Bombay.

Power of Directors to make, alter, and rescind Bye-laws, &c.

45. It shall be lawful for the Directors for the time being of the said Bank to make and pass bye-laws, regulations, and orders for the good government and in reference to the mode of conducting the business of the Bank, and such bye-laws, regulations, and orders from time to time to modify, rescind, and vary; and it shall further be lawful for the Proprietors of the said Bank at any general meeting, whether ordinary or special, to pass resolutions and frame and from time to time rescind and vary bye-laws, regulations, and orders for the direction of the affairs of the Bank and for the remuneration of the Directors; and the same shall be binding on the Directors and Officers and on the Proprietors of the Bank until rescinded or varied at any subsequent General Meeting: Provided always, that no bye-law, regulation, or order, or alteration or rescission of any bye-law, regulation, or order, whether passed by the Directors or by the Proprietors at a General Meeting, shall be of any validity, except in so far as the same shall be consistent with the provisions of this Act and shall be approved by the Governor of Bombay in Council, such approval to be signified in writing under the hand of one of the Secretaries to the Government of Bombay: Provided always that no such bye-laws, regulations, or orders made by the Proprietors at any general meeting shall invalidate any prior act of the Directors which would have been valid if no such bye-law, regulation, or order had been made. Proviso.

SCHEDULE (A) above referred to.

I, A. B., of (in consideration of the sum of paid to me by C. D. of ) do hereby transfer to the said C. D. Share (or shares numbered respectively ) in the Bank of Bombay, standing in my name in the books of the said Bank, to hold unto the said C. D., his executors, administrators, and assigns, subject to the several conditions on which I hold the same at the time of the execution hereof: and I, the said C. D., do hereby agree to take the said share (or shares), subject to the same conditions, as witness our hands the day of 186.

Financial Department.—No. 46 of 1863.

To the Right Honourable *Sir Charles Wood*, Bart., M.P., Secretary of State for India.

Sir,

WE have the honour to forward, for your information, copies of Minutes, as per subjoined list, recorded by the Members of this Government on the subject of the introduction of a Government Paper Currency.

We have, &c.
*R. Napier.*
*H. B. Harington.*
*H. S. Maine.*
*C. E. Trevelyan.*
*W. Grey.*

Fort William, 15 April 1863.

List of Minutes.

Minute by the Hon. Sir C. E. Trevelyan, K.C.B., dated 28 February 1863.

Minute by His Excellency the Viceroy and Governor General, dated Camp Mozuffernugger, 14 March 1863; concurred in by Major General the Hon. Sir R. Napier, President of the Council, on 28 March 1863.

Minute by the Hon. H. B. Harington, dated 2 April 1863; concurred in by the Hon. W. Grey, on 8 April 1863.

Minute by the Hon. H. S. Maine, dated 4 April 1863.

Minute by the Hon. Sir C. E. Trevelyan, K.C.B., dated 9 April 1863.

Minute by the Hon. H. S. Maine, dated 15 April 1863.

Minute by the Hon. W. Grey, dated 15 April 1863.

## Enclosure to No. 46 of 1863.

### Minute by the Honourable Sir *C. E. Trevelyan*, K.C.B.

It becomes my duty to submit my opinion upon the important subject of the arrangements for the introduction of a Government Paper Currency, upon which a final reference has been made for the instructions of the Secretary of State.

To a certain extent all who have taken part in the discussion are agreed.

It is agreed that the amount of notes issued on Government Securities should be maintained at a fixed sum within the limit of the smallest amount which experience has proved to be necessary for the monetary transactions of the country, and that any further amount of notes should be issued on coin or bullion, so that the mixed currency of notes and coin should vary in quantity exactly as if it were wholly of coin.

It is also agreed that "to obtain the conditions" (I am using Mr. Wilson's words) "of a safe and secure Paper Currency, and to maintain its value at all times to the full of the coin it represents, and so to prevent depreciation, the great essential is that it shall at all times be convertible on demand, and at the will of the holder, into such coins on presentation to the issuers of the paper."

Mr. Laing has expressed his opinion on this point as strongly as any of the other authorities, as will be seen from the following energetic expressions:—

"I have witnessed the effects of an inconvertible paper circulation in Austria, and nothing but actual experience can convey an idea of its ruinous effects.

"An element of uncertainty and gambling is introduced into every transaction of daily life.

"Every creditor is defrauded when paper falls in value; every debtor suffers when it rises. Even the peasant who brings his corn to market, or who buys a coat or pair of shoes, has to study the exchange quotations in the price-current, in order to know whether he is paying or receiving a fair price; and it often happens that before he gets home a fluctuation in the quotations has converted what he thought a good bargain into a bad one.

"In short, the effect of a depreciated and fluctuating small-note inconvertible currency is utterly demoralising; and of all the expedients which a Government could resort to for raising money, this is unquestionably the most costly and the most burdensome.

"I assume therefore that, in accordance with the opinion intimated by Sir C. Wood, the first consideration in introducing a system of Paper Currency in India must be to place its convertibility beyond question."

The divergence of opinion has reference to the means by which this convertibility is to be maintained.

Mr. Wilson's proposition is, "that the only means by which a Paper Note Circulation can be extensively applied to India, such as shall be universally current, and can be safely made a legal tender, is through the agency of the Government, and that it possesses means peculiarly favourable for the useful exercise of such a function."

Mr. Wilson also takes pains to show that the conditions for a legal-tender paper money are inconsistent with the other business and obligations of Banks. "Banks of Issue," he says, "have a variety of claimants—depositors, holders of their drafts or bills of exchange, and note-holders. To set aside as large a portion of their assets in coins and securities as would be required to cover their note issues for the particular use and security of one class of their creditors, would be to reduce the security of the others, and, in the event of a failure, would lead to a direct preference of one class of creditors to the injury of the others."

Sir Charles Wood—who, quite irrespective of his official position as Secretary of State for

or India, is one of the highest authorities on this class of subjects—entirely coincides in Mr. Wilson's view.

Mr. Laing, on the contrary, prefers the agency of Banks; and he says that if he had consulted his own views only, he should have appointed the Bank of Bengal sole agent of the Government in the Bengal Presidency, both for treasury business and currency, and have put it in effect on the same footing as the Bank of England.

A modified arrangement was, however, adopted out of deference to the known views of the Secretary of State, by which Mr. Laing hoped that, while the objects he had in view would be substantially obtained, the principle of a Government issue would be strictly upheld.

According to this arrangement, the Master of the Mint at Calcutta is the Commissioner of Currency for the entire Bengal Presidency. The notes are all originally issued by him, and he holds the coin, bullion, and securities which the notes represent. But an agreement has also been entered into with the Bank of Bengal by which that Bank has been constituted, as it is now described, not an agency for issue, but an agency for circulation after issue, and the Bank is allowed a commission of $\frac{3}{4}$ per cent. upon all notes in circulation for which it has paid coin or bullion. "For this commission," Mr. Laing explains, "the Bank undertakes the whole of what may be called the retail work of issuing and cashing notes across the counter, and for small amounts; the whole correspondence as to notes lost or stopped payment; the whole risk of loss from forgeries, &c.; and what is the most important of all, they undertake to establish Branches wherever desired by the Government, and to provide at them, at their own risk and cost, the means of cashing all Government Notes which may be presented in the ordinary course of business."

Besides Mr. Laing's general preference of Banks to Government agency, he urges two special reasons for the arrangement recommended by him.

The first is, that it was necessary "to ensure an uniform note currency for the whole Presidency, which could be attained in no other way than by an arrangement making it worth the while of the Bank to maintain considerable cash reserves at a number of provincial cities, and to run the risk of heavy expense in transferring coin rapidly from Calcutta to any branch where it was required." Mr. Laing elsewhere observes: "No one acquainted with India can doubt that the chief advantage looked for from a Paper Currency would be lost if it were not uniform. If a traveller, starting from Calcutta for Peshawur, had, five or six times in the course of his journey, to go to a banker or moneydealer and get his notes changed, probably at a discount, for notes of a new Circle, it is almost certain that he would prefer taking with him, as at present, a bag of rupees. In India distances are great, communications imperfect, the Native population generally ignorant and suspicious with regard to monetary matters, and money-changers accustomed to exorbitant rates and anxious to retain their business. To divide India, therefore, into some 40 or 50 different Currency Circles, would have been to create a state of things like that which before the general introduction of gold existed in Germany, where the original thaler or florin of the unhappy traveller soon dwindled down to half its amount in exchanges, at the frontiers of a succession of petty States."

The other reason urged by Mr. Laing is that the Bank agency is the most economical. "It is clear," he observes, "that the Government could not have established Commissions of Issue of its own for anything like the sum which it pays the Bank. In the Presidency owns a large building must have been built or hired in the centre of business, with ample counter accommodation and a number of clerks. In the provinces there could not have been fewer than 20 Circles of Issue, at the centre of each of which, in some large town, there must also have been a commodious office and a separate establishment. This establishment could not have been very cheap, for a Deputy Commissioner, charged with the currency, must have been a man of a superior stamp and well paid; and with large cash transactions and stocks of notes, he must have had one or more well-paid assistants to act in case of his illness or absence. I doubt if a State Currency Commission, to do the work of a Bank, could have been established for less than 6,000*l.* or 8,000*l.* a-year in Calcutta, and an average of 1,500*l.* or 2,000*l.* a-year for each Provincial Circle, in which case it must have cost the Government at least twice as much to do the work as it will pay by employing Bank agency."

According to Mr. Laing's arrangement the Branch Banks are not under an absolute obligation to cash the Government notes, but are only expected to do so "under all ordinary circumstances." "Practically," he says, "the Branch Banks would generally be ready to cash Presidency notes issued by their parent Banks as a matter of accommodation to their customers, and thus the advantages of an uniform circulating medium would be to a great extent attained." He even contemplates the case of a Branch Bank having, under certain circumstances, to suspend cash payments. "In the extreme case of a Bank being obliged to postpone for a day or two, until it can receive a remittance from Calcutta, the accommodation of cashing notes which is afforded to the public as a matter of convenience and not of legal right, the consequences are far less serious than if the Government had failed in fulfilling a legal obligation."

Having thus stated as clearly as I can the main points at issue, it is time that I should express my own views.

I hold in the strongest manner the opinion that absolute, instant, never-failing convertibility is essential to a Government Paper Currency. We owe this to our subjects, whose specie and bullion we take in exchange for our promises to pay, and in reference to whom we invest with the character of legal tender, notes which would defraud them of their due

if they were not instantaneously payable in specie. We owe it to ourselves that our notes should not be returned to their holders dishonoured in any quarter where there can be even a semblance of claim to receive their value in specie. And we owe it to society at large, which has now for the first time an opportunity of seeing tried, on a large and favourable field, an experiment, to which many of the ablest and clearest thinkers on the difficult subject of currency attach the highest importance. Conditional convertibility is hardly to be distinguished from inconvertibility. Suspension of cash payments is in every country justly regarded as a symptom of insolvency. An ill-regulated Paper Currency is, as Mr. Laing truly observes, one of the worst evils with which a nation can be afflicted, and the absence of the most perfect convertibility is the most decisive defect in such a currency. It would be far better to have no Government Paper Currency at all than to have one which was in any degree liable to this objection.

I therefore prefer Mr. Wilson's and Sir Charles Wood's plan, because it secures the convertibility of the notes by a self-acting process. A moderate sum, below which the circulation could not by any possibility fall, would be held at the Presidency in Government Securities, and coin would be deposited at the Deputy Commissioners' offices in the provinces to the full extent to which notes would be legally payable there. This plan calls for no effort and occasions no anxiety. All that is necessary is that it should be maintained in existence as a matter of fact, and the Government Currency system will stand like a house founded upon a rock, whatever floods come and winds blow, and beat upon the Public Finances and upon Banking and Commerce.

Banks are acted upon by too many absorbing and deflecting circumstances primarily affecting them as such, to be a proper basis for so delicate an instrument as a system of Government Paper Currency. Twice of late years (in 1847 and 1857) the machinery constituted upon this principle in England has got out of gear, and is it likely that there will be no commercial revulsions in any of the provinces of this great Eastern Empire, where most of the conditions are so much less favourable? It might not be easy to transfer coin rapidly from Calcutta to every Branch Bank where it was required. Commercial panics are epidemic. Indeed the causes which produce them generally affect the entire community in a greater or less degree. In what a position, then, should we be if the Government Currency were dependent upon Branch Banks which had a hard struggle to maintain their own solvency? The Government monetary system ought to be the mainstay to which all would look with confidence when storms arise. How different the result would be if that system were practically identified with the banking system, so that they must be involved in a common catastrophe.

But the inexpediency of this ill-assorted alliance does not depend upon the existence of commercial derangements. There is an ordinary condition which is decisive against it; the course of the internal exchange. It will be seen from the following passage of Mr. Wilson's minute that he was fully aware of this peculiar feature of the Indian commercial and banking system, and carefully considered it, and made a suitable provision for it in the plan of the Government Paper Currency:—

"I reserve at present the question whether all notes may not be made payable at the Presidency capitals within which they are issued. I am inclined to believe such may safely be done without any chance of loss to the Government; but the point requires further consideration. I mean that all notes issued in Bengal, the North-West Provinces, and the Punjab should be payable at Calcutta as well as at the place of issue; and that all notes issued in the Presidencies of Bombay and Madras respectively should in like manner be payable in Bombay and Madras. I incline to think that the course of the exchange between the interior and the shipping ports is always such as would admit of this concession without loss; and, if so, it would be a great advantage to the circulation of the notes. That the tendencies of the exchange will always be, as they in fact are at present, in favour of the interior of India, is plain from the fact that the quantity of produce which comes down for shipment is much larger than of goods going up. At the present time, in the North-West, a bill on Calcutta for 100 rupees may be purchased for 98 rupees, showing a premium of 2 per cent. in favour of up-country. Assuming, then, that it is safe to make all the notes payable in the Presidency towns, the condition of the circulation would be exactly that of Bank of England notes; the notes would be payable for revenue everywhere; each note would be payable in coin at the place of its issue; and all notes of the Presidency wherein issued would be payable in coin at the capital of the Presidency."

Mr. Wilson plainly foresaw that it would be impossible to establish an uniform Paper Currency in the sense of making every note legally convertible into specie in every part of India, without transferring to the Government the expense of conducting the entire remittance and exchange business of this great Continent.

Some indication of the action of this current of the internal exchanges upon the Branch Banks in their relation to the Government Paper Currency may be gathered from the following passage of the last letter to the Secretary of State:—

"These notes have a private Bank mark by which they are recognised at the branches and at the Head Office; those put into circulation by each branch being freely exchanged for coin at their own branch, and if sent elsewhere and paid into any other branch or into the Head Office they are immediately returned to the branch to which they belong: the notes of the Head Office being treated exactly in the same way, except that they are cashed at the branches more charily, and not if apparently employed solely for purposes of remittance."

From this it appears that, notwithstanding the $\frac{3}{4}$ per cent. paid on the whole of the Government

Government Paper Currency, to make it "worth the while of the Bank to maintain considerable cash reserves at a number of provincial cities," the Bank has established subordinate Currency Circles of its own within the Calcutta Government Circle, and that the "inestimable privilege of an uniform currency" has no existence. Even the notes of the Head Office of the Calcutta Circle are "charily" cashed at the Branch Banks within the Circle, and are altogether refused "if apparently employed solely for purposes of remittance."* This may be prudent banking, but our Government Paper Money ought not to be subjected to such treatment at the hands of our agents whom we pay expressly for the purpose of maintaining it in circulation. If our own agents set the example of refusing to cash our own notes, how can we expect them to be freely taken by the Native merchants and bankers, who look upon them with jealousy both as novelties and as interfering with the large profits they have been in the habit of making from the internal exchange. The Bank of Bengal is obviously acting in two incompatible functions, and is under the necessity of doing, in mere self-defence as banker, what in its capacity of agent for the Government Paper Money does not admit of justification.

In one case only has the Bank of Bengal attempted to maintain the desired uniformity. It was hoped that the neighbouring Branch Bank of Dacca might be worked in real union with the Head Office at Calcutta. With what result may be seen from the following extract from a report from the Branch Inspector, dated from Dacca on the 14th instant—"The supply of notes received this week are being rapidly absorbed by the Shroffs for remittances in return for advances on salt made in Calcutta. If this Circle is to be kept up between Calcutta and Dacca as briskly as heretofore a tremendous balance in hard cash will be the result." Can there be a more decisive proof of the necessity of separating the functions of bankers from those of agents for the currency? This useless accumulation of funds at Dacca ought to be stopped, and the Native merchants ought to be made to pay for the accommodation of enabling them to make their remittances; but this should be done by the Bank in their capacity of bankers, without its involving a breach of their obligations as agents for the Government Paper Currency. If the hands of the Bank were untied by its ceasing to act as agent for the currency it might make large legitimate profits by operating upon the internal exchanges.

The new institution cannot take root and grow under such conditions as these. Sir Charles Wood's opinion that sufficient provision has not been made for the conversion of the notes beyond Calcutta has proved to have been well founded. The desire of Her Majesty's Government that every necessary facility should be given for the substitution of a currency of notes for that of silver as largely as the population will adopt it, cannot be accomplished while this obstacle opposes the extension of the new currency. The note circulation of the Bank of Bengal in January 1862, was 1,820,359 *l.*, while the Government notes which had been issued at Calcutta in February 1863 amounted only to 2,430,000 *l.* The real comparison is even less favourable to the new currency than this, for the returns of the Presidency Banks give only the value of the Bank Notes in circulation and do not show the value of the notes dormant in the tills of the Banks, upon which principle the circulation in Bengal is less now than in 1861, the average of that year having been 1,731,634 *l.* and the active circulation now being 1,608,000 *l.*

The Secretary of State in more than one place raises the question on what principle the ¾ per cent. for agency is to be paid. This question has assumed larger proportions. The agency is stated in the last letter to the Secretary of State, not to be for issue, but for "circulation after issue." In the agreement with the Bank of Bengal for the establishment of the Branch Bank at Rangoon (which is not included in any Government Circle of Issue), there is no stipulation either as respects issue or circulation. The Government Paper Currency is not even mentioned in the agreement, and the same course is proposed to be followed in respect to intended new Branches at Agra, Allahabad, Lahore, Lucknow, and Nagpoor. For what service then is ¾ per cent. to be paid on the notes circulated through Branches in reference to which no agency exists? If the Bank uses our notes at these Branches it will do so solely for its own profit, and in this respect it will be on the same footing as any other Bank which finds it convenient to employ our notes in the transaction of its business.

I have given my reasons for thinking that, so far from its being for the public interest that Government notes should be introduced to these widely extended regions in the interior without the solid foundation of separate Government Offices of Issue, and with no better guarantee for their conversion into specie than the partial and uncertain action of Branch Banks, it would be a grave public evil. It must be remembered that, unlike Bengal Proper, those provinces have no experience of a note circulation, and that the managers of Branch Banks would be under much less effective supervision at those great distances than they are in Bengal.

Mr. Wilson's opinion on this point will be seen from the following passage of his minute:—"But if the objections to a legal tender note circulation by Banks generally are so strong, in India they become much more so. If it is desirable to establish in any country

* The agreement with the Bank of Bengal in reference to these Branches, which are all within the Circle of Calcutta, was as follows:—"That the said Branch Bank, during the continuance of these presents, shall and will, to the utmost of their power, pay and satisfy, on demand, to the holders, the amount of all Government Currency Notes duly issued within the Circle of Calcutta under the said Act XIX. of 1861, which shall be presented for payment or conversion into cash at the office of the Bank."

country such paper money it is essential that it should be in general use throughout, and issued under a single authority. We have only to consider how impossible it would be for any Banking establishment to extend its agencies over the greater part of India, to see that no such Bank could possibly fulfil the functions of conducting universally the circulation of notes."

In my opinion, therefore, a return should be made to the true principle of a Government Paper Currency. The management of the Government Paper Money should be entirely assumed by the Government. The paper money should be identified with the Government as completely as the silver money is, and the connexion in the popular mind should be, not with Banks with their prevailing mercantile associations, but with the permanent character and inexhaustible resources of the Government. Certain places should be fixed at which notes would be exchanged by Government officers for coin, and coin for notes; and this limited obligation should be fulfilled absolutely, instantly, and without any liability of failure.

These places ought, however, to be as few as possible. Calcutta for Bengal Proper, Benares, and Mirzapoor; Cawnpoor for the North-West Provinces and Oudh; Nagpoor for the Central Provinces; and Lahore for the Lieutenant Governorship of the Punjab, will, I hope, suffice as regards the Bengal Presidency. As Madras and Bombay are more compact, and their provinces are united by closer relations with their capitals, it will not, I think, be necessary to have a second place of issue in either of those Presidencies.

The expense of these arrangements will be moderate. The system is so simple, that the most extensive Government note circulation may be safely and effectively managed by a small number of persons. The collectors of Cawnpoor, Nagpoor, and Lahore, with the assistance of a few well-selected and well-paid clerks, would do all that would be necessary in the three new Circles. The verification of the notes, and the correspondence as to notes lost or stopped payment, are duties which, however important they may be, do not take up much time. The risk of loss from forgeries has happily proved not to be great.

Although Banks are out of place as official agents for the Government Currency, they have an important part to perform even as regards that Currency. For their own sakes, they will extensively use the Government notes, and in this sense they will be voluntary unpaid agents for the Currency. This will be a relation of mutual benefit. The Banks will take the notes as they want them, and will use them for their own purposes, without the embarrassment of any Government connexion.

The support given to industry in other countries by the Scotch banking system, shows what advantage may be expected from the extension of Branch Banks. In this country it would be productive of special benefit, because it would bring British honesty and intelligence and habits of business to bear upon the great Native population. India is not like America and Australia, where everything has to be created. There are enormous ready-made resources here which only have to be brought into relation with European civilization, and if our merchants and bankers take up the position in India which has long been occupied by our civilians and military men in their own sphere, I do not see any limit to the prosperity of this great country. All our Banking establishments at Calcutta will, I hope, seriously consider about forming branches in the interior in connexion with the railways, and under the protection of the new police, and of the improved judicial system supervised by the High Court.

I am also entirely in favour of employing Banks to hold the Government Balances and make the Government payments; and the most obvious public convenience requires that, as far as possible, the same Bank should be so employed. The arrangement with the Bank of Bengal has, however, been framed on a novel and very inconvenient principle. Instead of making a payment to the Bank for service performed, and giving it the use of the Government Balances, whatever they may be, a payment is made, and a minimum is also fixed, with the understanding that if the Government Balance falls below it, interest will be paid to the Bank on the difference. The consequence of this is a complication of account, and a serious counteraction of the tendency to a concentration of balances, which should be cultivated as an essential part of every sound system of finance. We are now actually called upon to pay interest on a supposed deficiency at Bombay, although we keep up our balance there to the extent of our local wants, and our balances elsewhere are greatly in excess of our wants. It would be far better to increase the direct payments made to the Bank to the full level of the value of the service performed, and to retain entire freedom in the management of our balances.

We should, I think, enter into arrangements with the Bank of Bengal on this principle, for their doing our business, wherever it would be for our mutual advantage that it should be so done. I am only doing common justice to the Bank of Bengal, in saying, that it is at present managed in a very able and public-spirited manner. The strictures it has been my duty to make have been entirely confined to the official agency of the Bank for the Government Currency as a system. The individual action under that system is entitled only to praise. I should be sorry if the proprietors had to complain of any loss in consequence of changes made at my recommendation. I am persuaded that it will not be so.

In the observations I have ventured to submit, I have argued with as much freedom as if we were not bound by any instructions. Although I have carefully reviewed the present state of the question, my opinions on this subject are not of recent formation, and whatever value may be attached to them, it will not be diminished by their being expressed with perfect candour. It has, however, been seen that my views coincide on all main

points

points with the instructions of the Secretary of State. By acting on these principles, an uniform Currency will be secured, to the fullest extent consistent with safety. When it is remembered that the Government notes will be a legal tender, that they will be everywhere receivable in payment of Revenue and other Government dues, that the notes, wherever issued, will all be payable at Calcutta, and that Banking Companies, some of which already have Branches at the principal places on the route, will certainly use them for their own advantage, I shall be surprised if a traveller has to change his notes between Calcutta and Peshawur, except in payment of his expenses. My reasoning, of course, applies *mutatis mutandis* to Madras and Bombay, as well as to Bengal.

*C. E. Trevelyan.*

Calcutta, 28 February 1863.

## MINUTES.

### By His Excellency the Viceroy and Governor General.

As none of the correspondence which has taken place with reference to the introduction of a Government Paper Currency, accompanies the Minute by Sir C. Trevelyan on this subject which has been sent up to me, I am hardly in a position to do it justice.

Nevertheless, I think that my recollection of the tenor of that correspondence and of the terms of the arrangement with the Banks, is sufficiently accurate to enable me to say what is necessary for the present occasion.

When the Despatch of the Secretary of State commenting on this arrangement was received, I thought it due to Lord Canning and Mr. Laing, by whom it had been matured, to point out to Sir Charles Wood certain misapprehensions respecting its practical working, into which he seemed to have been led by the looseness of the phraseology in which the Agreement for giving effect to it had been conceived.

Having, however, submitted to the Secretary of State the observations which I deemed to be necessary, in order to remove these misapprehensions, I have no intention to say more upon the subject. I am by no means of opinion that the arrangement in question is above reproach, and having placed the facts of the case fairly before the Secretary of State, both in justice to my predecessor, and with the view of imparting to the action of the Indian Government, on so momentous a subject, as much of consistency as possible, I am prepared to accept without further discussion his decision on a matter concerning which he speaks with great personal authority, independently of that which attaches to his Office.

I must, however, say, that I do not very clearly gather from Sir C. Trevelyan's Minute what are the precise changes in the existing arrangement which he proposes to introduce.

If he merely intends to establish in the Bengal Presidency four Centres of Issue for one, leaving the other parts of the arrangement intact, I cannot but think that such phrases as "I hold in the strongest manner the opinion that absolute, instant, and never-failing convertibility is essential to a Government Paper Currency," and "In my opinion, therefore, a return should be made to the true principle of a Government Paper Currency," are too large to describe the scheme which he recommends as contrasted with that of Mr. Laing. No doubt if even this measure be adopted, the credit of the Government Note will be better assured at Cawnpore, Nagpore, Lahore, and places in the vicinity of these towns, than it now is, when cash can be peremptorily demanded for it only in Calcutta, but at points remote from those Centres of Issue, the convertibility of the note at par will still, I apprehend, depend, firstly, upon its being a legal tender, receivable in payment of Revenue and other Government dues, which is a feature common to all the schemes; and, secondly, on the extent to which the Branch Banks consider themselves to be bound, by the terms of their agreement with Government, to cash notes on presentation. The presumption that a note for which cash can be imperatively demanded at Cawnpore will be held in the distant parts of the North Western Provinces to possess the quality of absolute, instant, never-failing convertibility, while the same note, if equally payable only in Calcutta, will not have this quality, rests, as it appears to me, on no sufficient proof.

If, however, Sir C. Trevelyan proposes, not only to increase the Centres of Issue in the Bengal Presidency from one to four, but also to abolish the payment of ¾ per cent. on their circulation of Government Paper to the Banks, and the obligations which the Banks have assumed in consideration of this payment, the change effected by the adoption of his plan will be more material. It will tend, in my belief, to prevent the notes from circulating, in districts which are removed from the Centres of Issue, as freely as it might be expected to do under the arrangement with the Banks that is now in force. But it will no doubt make the separation between Banking and the Government Paper Currency more distinct and palpable, and the gain on this head may perhaps be held to be more than a compensation for the loss on the other.

I have assumed that the engagements into which Government has actually entered with the Banks will be carried out in good faith, and that, during the period for which they have been contracted, no attempt will be made to alter them, save with the Banks' consent.

14 March 1863. *Elgin and Kincardine.*

I concur with His Excellency the Governor General.

28 March 1863. *R. Napier.*

By the Hon. *H. B. Harington.*

I DO not know whether Sir Charles Trevelyan, in writing his Minute dated the 28th February last, had any object in view beyond placing on record his opinion on the subject of the arrangements which have been made in connexion with the introduction into India of a Government Paper Currency. It seems to me that it can answer no useful purpose to enter into a further discussion in this country, at the present time, as to the merits of those arrangements, and as to whether they are sound in principle and judicious, or otherwise. The orders of the Secretary of State on the Despatch sent home some weeks ago, in explanation of the arrangements in question, may be expected very shortly, and whatever those orders are, the Government will probably be prepared at once to give effect to them, so far as it may be in its power to do so. Pending the receipt of the orders of the Home Government, I apprehend that nothing more can be done in this country, and that the existing arrangements must continue. As noticed by His Excellency the Governor General, the question upon which this Government and the Home Government are at issue has been referred to that Government, and we are prepared to accept the decision of the Secretary of State without further discussion. I must, however, say, after reading the Minutes of His Excellency the Governor General and Sir Charles Trevelyan, that I concur generally with His Excellency, and that I entertain a very strong opinion that if India is to be divided only into the small number of Circles proposed by Sir Charles Trevelyan, the public, so far as the convertibility of the Government Notes is concerned, will not find itself practically, in many parts of the country, in a better position than under the existing arrangements, but the contrary.

2 April 1863. *H. B. Harington.*
8 April 1863. *Wm. Grey.*

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By the Hon. *H. S. Maine.*

I DO not find that I have anything to add to the observations made in the Note which I wrote when the papers were before me on a former occasion. I agree with the Governor General that, so far as the convertibility of the Notes is concerned, if Sir Charles Trevelyan's proposal is to be interpreted as His Excellency interprets it, and as I myself should be inclined to construe it, there is not much to choose between the arrangement suggested and that now in force. But I have so strong an opinion on the desirableness of severing Banking from Issue, that a very slight advantage in respect of securities for convertibility would lead me to prefer that even now the system of Circles of Issue should be substituted for the system established by Mr. Laing.

*H. S. Maine.*

4 April 1863.

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By the Hon. Sir *C. E. Trevelyan*, K.C.B.

AFTER reading the Minutes which have been recorded by His Excellency the Viceroy and the President and Members of Council on my Minute, dated 28th February last, on the subject of the Paper Currency, I wish to submit a short explanation on two points.

1st. My object in recording the Minute was, as indicated in the first paragraph of it, to fulfil the duty I owed to the Secretary of State by giving him such aid as was in my power in the decision of an extremely important question specially connected with my Department which had been recently referred for his decision. The Despatch so referring was dated on the 2nd of January last, and I took my seat in Council on the 13th idem.

2nd. An impression appears to prevail that the Circles of Issue proposed by me are too large to support the credit of the Government Notes. I cannot explain the view I take of this part of the subject better than by observing that the Continent of Europe offers a fair analogy in this respect to the Continent of India. Spain, France, and Germany are essentially distinct communities; and supposing them to be united under the same Government, a single centre of convertibility at Paris would hardly be considered so satisfactory a basis for a Government system of Paper Currency as a separate centre in

in each of the three countries concerned. In like manner, Bengal Proper, the North-West Provinces, including Oudh, the Central Provinces, and the Punjab, each form separate communities which are united by a common intelligence within themselves, but have little knowledge of what passes outside their respective limits. If, therefore, there is one place within each of these provinces at which it is known that the Government Notes will be cashed as soon as presented, enough will, in my opinion, be done, in addition to their being a legal tender and to their being receivable at every Treasury in payments to the Government, to secure the credit of the Notes, and the Banks may then safely be left to deal with them as they consider most for their advantage.

*C. E. Trevelyan.*

Calcutta, 9 April 1863.

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By the Hon. *H. S. Maine.*

I TRUST that the Minute recorded by the Hon. Sir Charles Trevelyan on this subject does not indicate an impression that there is any difference of opinion between himself and the other Members of the present Government of India as to the principle of the absolute convertibility of Notes, or that this Government, before he joined it, had failed to perceive and condemn the confusion of idea as to the distinction between "Issue" and "Circulation" which is betrayed by the text of the Agreement between the Government and the Banks. In order to show, for myself, that the grounds of my concurrence in the resolution to refer the matter anew to the Secretary of State, were not inconsistent with the views which Sir Charles Trevelyan himself expresses, and which he, no doubt rightly, attributes to Sir Charles Wood, I must beg to quote a part of the observations which I put on paper, when the question was before the Government in December last (13th December 1862).

"The restrictive character of the 28th Section of the Charter Act depends on the meaning to be attached to the words 'Agency Department.' If, as the Secretary informs us, the Agency Branch is quite distinct from the Banking Department, so that the words always bear the same fixed sense in the proceedings of the Bank of Bengal, I think that a court of law would insist on reading them in this sense, and would prohibit the Bank from dealing in the exchanges, except for the purpose of remitting dividends homewards. This should certainly be fully explained to the Secretary of State, as I am not aware that the words in the language of English Banking ever bear the meaning now attributed to them; to persons unfamiliar with it, the phraseology of the section is dangerously loose.

"It must be confessed that the wording of the Agreement is not at all felicitous, and that it is calculated to create the effect which it seems to have produced on the mind of the Secretary of State. I have no doubt that the suggestion of Mr. Drummond is well founded, and that the framers of the Agreement did not quite appreciate the distinction between 'Issue' and 'Circulation. I concur in thinking that the intended meaning should be explained to Sir Charles Wood, and also that he should be made aware of the power which the Government has of compelling the Bank to act on the true meaning of the Agreement, through the influence which it exercises in the Direction."

With reference to the comparative "effectiveness of the Bank Agency system and of the system of Circles of Issue in insuring the convertibility of the notes, and augmenting their credit, I quite agree with his Excellency the Governor General that there are advantages and disadvantages attending either of them, and that a reference should be made to Sir C. Wood on the question whether it is worth while going to so great an expense as would be involved in the establishment of Circles of Issue for the sake of a result which may not follow. The small practical importance which, as it seems, a Paper Currency is likely to have in India for some time to come will doubtless be an ingredient in the Secretary of State's decision.

"In regard to the separation of Issue from Banking, if the Government of India had not embarked in the concerns of the Bank of Bengal otherwise than by employing it as an Agent for issuing notes, I should have thought that the extreme desirableness of keeping the issue of notes clear from all association with Banking business was even now a sufficient reason for reverting to Mr. Wilson's original plan, so far as it contemplated the exclusive employment of Government Offices in the issue of notes to the public. I quite admit the force of Mr. Drummond's remarks, and I see that the separation of Banking from Issue is much more strongly marked in the new Indian system than in that of the Bank of England, although even there, so far as the letter of Sir R. Peel's Act is concerned, the separation is marked plainly enough. But if the facts as respects the Bank of Bengal had been as I at first supposed them to be, I should have regretted losing the opportunity of striking a fatal blow at the fundamental fallacy which misleads people on these subjects. I believe that the mischievous delusion which induces the commercial world to suppose that at periods of panic it is the duty of Government to lend money, or rather to create it for the sake of lending it, to hard pressed speculators, has its source, not in any exaggerated estimate of the powers of Government such as prevails in the European Continent, but simply in the associations imbibed through the connexion of Governments with great Banks, and more particularly through the old confused system which used to prevail in the Bank of England previously to 1844. These associations,

which appear to overpower men's minds at seasons of panic, have twice brought about the suspension of Sir R. Peel's Act in spite of the most absolute prohibitions on paper; and I am not sure that, slight and remote as is the connexion of the Bank of Bengal with the issue of notes, and purely ministerial as is its office, that connexion might not still tend in some degree to encourage a clamour for tampering with the Currency in times of distress. The danger, I admit, is very far from obvious or imminent; but the true test of all Currency arrangements is the strain they are capable of bearing in commercial crises; and I cannot help feeling that this is the weak point of the new Indian system, and that it is just here perhaps that the idea will creep in, which becomes so formidable in panics, that Government is in fact a great Bank, differing only from other Banks in the possession of unlimited resources.

"It is, however, a sufficient answer to this, though anything but a satisfactory one to my mind, that the Government of India is already so much mixed up with the Bank of Bengal in its character of Shareholder, and in its possession of a powerful voice in the management, that if the Bank were hard pressed, the Government could not help coming to its aid, either by the Cash Balances or by issuing notes not secured exactly as the present Law directs. This anomalous partnership is much more likely to draw down the consequences I have been deprecating than the remote connexion established by the recent Acts; and I do not, therefore, think that much would be gained by dissolving the Bank Agency."

It will thus be seen that the strong inclination of my mind was towards a system of Circles of Issue rather than towards the system set on foot by Mr. Laing. But I concurred in the reference to the Home Government (1), because Mr. Laing's system was actually in force, and because in India there are the weightiest permanent reasons against changes of policy; (2) because no modification of Mr. Wilson's plans, which was practicable without very heavy expense, seemed to me to have much advantage over Mr. Laing's in insuring the convertibility of the paper; and (3) because the advantages, which might have been derived from the total separation of Banking from Issue—advantages which are, in my judgment, of the utmost moment—appeared to be best realised by the peculiarities in the position of the Government of India which are mentioned above. Sir C. Trevelyan's present proposal is one of a class which was constantly present to my mind at the time, but which did not seem to me to have sufficient recommendations to warrant the subversion of existing arrangements, at least without a direct order from the Secretary of State.

15 April 1863. *H. S. Maine.*

By the Honourable *W. Grey.*

THERE is no doubt that Sir Charles Trevelyan's first Minute dated February the 28th may easily be read as signifying an opinion that while the arrangements made by the Government will inevitably fail to secure the convertibility of the Note, the plan advocated in the Minute will as certainly accomplish that object.

The two paragraphs which follow one another, the one commencing "I hold in the strongest manner," and the other, "I therefore prefer Mr. Wilson's and Sir Charles Wood's plan, because it secures the convertibility of the Notes by a self-acting process," can hardly indeed be read in any other sense.

That the convertibility of the Note, speaking in a broad sense, is perfectly secured by the general arrangements which have been adopted by the Government of India with the approval of the Secretary of State, is, however, beyond question. In these arrangements the true principle of a Paper Currency has been scrupulously observed, and it is impossible that the Government should ever be compelled to suspend cash payment for its notes as long as the system on which the Paper Currency has been launched remains in force.

I assume, therefore, that Sir Charles Trevelyan intended in his Minute to raise only the same question which is discussed in the Secretary of State's Despatch of September the 16th, namely, whether adequate provision has been made for the convertibility of the notes,—that is, for their practical, every-day convertibility—beyond Calcutta. This seems to be entirely a question of practical management, and not at all a question of principle. The point is, whether the establishment of three additional Offices beyond Calcutta, at which payment of notes issued from those offices will be legally demandable, will have the effect of rendering the notes generally more acceptable to the mass of the community—in other words, give the notes greater credit—than the plan which has been adopted by the Government of India.

I do not think that the establishment in the Bengal * Presidency of four Circles of Issue in place of one would have this effect, because, speaking generally, the measure would not increase the practical facilities for changing notes throughout the country at large. The Secretary of State has said that "it is not by the notes being actually converted, but by general confidence in their convertibility," that he anticipates their becoming part of the ordinary circulation of the country. Nothing can be more true than this; but it cannot reasonably be supposed that the general confidence spoken of is to be obtained by the mere establishment in all India of six Circles of Issue instead of three, and of six places instead of three at which coin can be legally demanded for notes. Yet this is the material difference

* *i. e.*, including the Punjab, Oudh, and Central Provinces.

difference between the arrangement already made by the Government of India and that which is recommended by Sir Charles Trevelyan in his Minute.

There can be no doubt, I think, that in order to bring the notes into general favour by creating a confidence in their easy and ready convertibility, the Government must rely mainly upon the practical facilities for the conversion of notes into coin which will exist in every district and every town, and under no circumstances can it be expected that so desirable an object will be quickly attained. It must necessarily be a work of time.

*W. Grey.*

April, 15 1863.

Financial.—No. 103.

To His Excellency the Right Hon. the Governor General of India in Council.

My Lord; India Office, London, 10 June 1863.

PARA. 1. I have received your Financial Letter, dated 2nd January 1863, No. 1, replying to my Despatch of the 16th September last, No. 158, relative to the measures adopted by you for transferring the Government Treasury business to Banks, and for the introduction of a Government Paper Currency into India; and I have also received your Financial Letter, dated 15th April last, No. 46, forwarding minutes by the several members of your Government on the same subject.

2. I have carefully considered in Council your observations in reference to the arrangements which you have made, for the employment of the Bank of Bengal and its branches in connection with the issue and circulation of notes; but the perusal of them has not removed the objections which I have always entertained and expressed to such employment of the Bank.

3. A great defect of your arrangements is, that no adequate security is provided for the convertibility of the notes, especially in parts of India distant from Calcutta, although it is certain that the most complete confidence on this point is indispensable to the success of the circulation of the Government Notes.

4. I pointed out, in my former Despatch, that your having relieved the Bank from the necessity of holding one-fourth of its liabilities, payable on demand, in specie, necessarily diminished the coin available for the convertibility of the notes.

5. Your arrangements have, however, a further tendency to diminish the coin available for the conversion of notes, for the explanation contained in your Despatch, of the principle on which the payment of three-quarters per cent. is to be calculated, shows that the Bank has every inducement to hold as little coin, and as large an amount of notes, as possible, in its reserve. You state that the three quarters per cent. is to be paid on all notes for which the Bank has given bullion or coin. It will be payable, therefore, on all notes kept in reserve by the Bank, whilst on coin so kept it would of course receive nothing. It is obviously, therefore, the interest of the Bank to keep notes, and not coin, in its reserve.

6. With respect to the Branches of the Bank of Bengal, the duty of cashing the notes is not even imposed on them. They are only expected to do so, as stated in your Despatch, "in ordinary circumstances," and in Mr. Laing's Minute, the cashing of notes at the Branches is spoken of as "an accommodation to the public, as a matter of convenience," and not as "a legal obligation."

7. I readily admit that this is as much as can fairly be expected from a Banking establishment, which is altogether unconnected with the Currency, but it certainly is not the sort of security for the convertibility of its notes which Government is bound to provide.

8. You stated that one of your principal reasons for not adopting the system of Circles, and for using the Bank as the Agent of the Government was, because you conceived that the latter course of proceeding ensured the advantage of an uniform Currency, which would be impossible with different Circles of Issue.

9. I observe, however, that, under the system which you have adopted, even within a much more limited area round Calcutta, the notes of the Branch Banks are put into circulation with a mark upon them, indicating the place of issue, "those put into circulation by each Branch being freely exchanged for coin *at their own Branch*, and if sent elsewhere, and paid into any other Branch, or into the Head Office, they are immediately returned to the Branch to which they belong."

10. I do not see in what respect this system differs from that which I had recommended for the Circles of Issue, with one exception;—the notes issued at each centre of a circle would have been legally convertible there, whilst, according to your plan, the notes are only to be freely exchanged at the place where they are put into circulation.

11. It is obvious that the same degree of uniformity exists in both plans, whilst, according to my directions in regard to circles, actual convertibility at each Centre of Issue of the notes issued at such centre would be secured.

12. I remain, therefore, of opinion, that the only sound system for the management of the Paper Issue in India is, that it should be entirely in the hands of the Government, and that the Bank should have no connection whatever with it; and I adhere to that which I conveyed to you in paragraph 31 of my Financial Despatch of the 16th September 1862, that it is "wise to entrust to Government agency, and to Government agency alone, the issue of Paper as well as of metallic money, combining as far as possible both measures in the same Department of Government, and to leave to Banks only the exercise of legitimate banking functions."

13. I am equally certain that, in the exercise of its legitimate functions, the Bank would essentially promote the circulation of notes, as I pointed out to you in the subsequent paragraphs of that Despatch.

14. I have, therefore, to desire that you will, at the earliest period in your power, take measures for carrying into execution the instructions contained in that Despatch,—

1st. That the notes in Calcutta should be issued by the Commissioner at the Mint, and that the means of verifying the notes and exchanging notes for bullion and coin, and *vice versâ*, should be established there.

2d. That at certain places, which probably need not exceed five or six in Bengal and the Upper Provinces, Offices should be established for the issue and exchange of notes.

3d. That these notes should differ from the Calcutta Notes only in having the name of the place of issue marked upon them; should be convertible of right only at the place of issue or at Calcutta; should be receivable everywhere at Government Treasuries in payment of taxes, and should be converted at any other place of issue, if the officer anticipated no risk in doing so.

15. I merely point to these general measures, and for any further details I need only refer you to my former Despatches, and especially to my Financial Despatch of 2 May 1861,* requesting you to keep in mind the fundamental principle that the Bank is to have no part in the management of the Currency.

16. An obstacle may exist in the Agreement with the Bank of Bengal for the management of the issue and circulation of notes, receiving a payment of three-quarters per cent. on the notes taken over by it. As the Agreement is only for five years, and as by the change above directed the Bank will be relieved from considerable expense and responsibility, they may not be unwilling to come to an arrangement for cancelling the Agreement and dispensing with the payment, and I shall be ready to view favourably any proposal which you may make for this purpose.

17. I entirely

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* Financial Letter to India, dated 2d May 1861, No. 75:—
Extract. para. 32. "The issue of notes should, therefore, be kept quite distinct from any Banking establishment, and the supply of notes to any Banks must be on precisely the same terms as to any other person."

17. I entirely approve of your placing the whole of the Treasury business in the hands of the Bank of Bengal and its Branches, as pointed out in paragraph 57 of my Financial Despatch of the 16th September 1862. I am also in favour of your encouraging the Bank to establish Branches in different parts of the country, to which the Government Treasury business of the place may be transferred.

18. I apprehend that, in confiding to the Bank of Bengal and its Branches the management of the Treasury business, you will be able, without detriment to the public interests, to extend such advantages to the Bank as will fairly compensate it for any loss to which it may be exposed from the withdrawal of the three-quarters per cent. on the Currency business. I should hope, therefore, that you will not find much difficulty in this matter.

19. I cannot, however, give up the condition on which alone any Bank can be entrusted with the Government business, and that is, that it should be debarred from dealing at all in foreign exchanges.

20. I believe that, by the establishment of a great Bank entrusted with the business of the Government, important advantages may be secured, not only to the Government, but also to the public and to the Bank itself; that, without loss or danger to the Government, great benefit may be obtained by the Bank, from its connexion with the Government, but it is essential for the security of such operations that the business to be conducted by it should be legitimate Banking business, and that it should abstain from all speculative commercial transactions.

21. The same course should be adopted also in regard to the Banks of Madras and Bombay, and probably but little difficulty will be found in those Presidencies, as the arrangements have not proceeded so far as in Bengal. Copies of this Despatch will, therefore, be sent to the Governments of Madras and Bombay for their guidance.

I have, &c.
*C. Wood.*

Financial.—No. 38 of 1863.

To His Excellency the Honourable the Governor in Council, Fort St. George.

Sir, India Office, London, 16 June 1863.

I FORWARD in the Packet, for your information and guidance, copy of a Financial Despatch,* which I have addressed to the Government of India, on the subject of the measures adopted by that Government for transferring the Government Treasury business to Banks, and for the introduction of a Government Paper Currency into India.

* Dated 10th June 1863, No. 103.

I have, &c.
*C. Wood*

Financial.—No. 39.

To His Excellency the Honourable the Governor in Council, Bombay.

Sir, India Office, London, 16 June 1863.

I FORWARD in the Packet, for your information and guidance, copy of a Financial Despatch,* which I have addressed to the Government of India, on the subject of the measures adopted by that Government for transferring the Government Treasury business to Banks, and for the introduction of a Government Paper Currency into India.

* Dated 10th June 1863, No. 103.

I have, &c.
*C. Wood.*

(Financial, No. 62 of 1863.)

To His Excellency the Honourable the Governor in Council, Fort St. George.

Sir, India Office, London, 15 August 1863.

I HAVE considered in Council your Financial Letter, dated the 25th March 1863, No: 5, forwarding copy of correspondence with the Government of India and the Bank of Madras, relative to the transfer of the Government balance in the Treasury at Cochin, to a Branch of the Bank of Madras established there, and to the proposal of that Bank in regard to similar arrangements at Cocanada, Ootacamund, and Negapatam, in the event of Branch Banks being established at those places.

2. You will have observed from my Financial Despatch to the Government of India, dated the 10th June last, No. 103, copy of which was forwarded for your guidance, that I approved of encouragement being given to the Bank of Bengal to establish branches in different parts of the country, to which the Government Treasury business of the place might be transferred; and the same observations apply to the Bank of Madras.

3. It is obviously of importance that the arrangements in regard to Branches of the Bank of Madras should be in accordance with those sanctioned for Branches of the Bank of Bengal, and they should therefore be made in communication with the Government of India.

4. You will of course understand that these Branch Banks are to have nothing to do with any business connected with the arrangements for the Paper Currency.

I have, &c.

*C. Wood.*

(Financial, No. 92.)

To His Excellency the Honourable the Governor in Council, Bombay.

Sir, India Office, London, 15 August 1863.

I HAVE considered in Council your Financial Letter, dated the 13th April last, No. 8, and its enclosures, and with reference to the application of the Bank of Bombay to be allowed to remit "for the convenience of its constituents in the Agency Department, sums of money to London by its own Bills, and that the Bank should be allowed to provide funds in London, by purchasing here and forwarding to its agents in London Bankers' drafts only," it is only necessary for me to refer to the observations contained in paragraph 19 of my Financial Despatch to the Government of India, dated the 10th June last, No. 103, copy of which was forwarded for your information and guidance, wherein it is stated that the condition on which alone any Bank can be entrusted with the Government business is "that it should be debarred from dealing at all in foreign exchanges."

I have, &c.

*C. Wood.*

Financial Department.—No. 112 of 1863.

To the Right Hon. Sir *Charles Wood*, Bart., G.C.B., Secretary of State for India.

Sir, Fort William, 7 September 1863.

WE have the honour to acknowledge the receipt of your Despatch of the 10th of June last, desiring us, at the earliest period in our power, to take measures for carrying into execution the instructions contained in your previous Despatch of the

the 16th of September 1862, for managing the Government Note Currency by Government Agency only, and to report the proceedings which have been taken thereupon.

2. You observed that an obstacle might exist in the agreement with the Bank of Bengal for the management of the issue and circulation of notes, receiving a payment of $\frac{3}{4}$ per cent. on the notes taken over by it; but that, as the agreement was only for five years, and as by the change above directed the Bank would be relieved from considerable expense and responsibility, they might not be unwilling to come to an arrangement for cancelling the agreement and dispensing with the payment, and that you would be ready to view favourably any proposal which we might make for this purpose.

3. You also stated that you entirely approved of our placing the whole of the Treasury business in the hands of the Bank of Bengal and its Branches, as pointed out in paragraph 57 of your Financial Despatch of the 16th of September 1862; that you were also in favour of our encouraging the Bank to establish Branches in different parts of the country, to which the Government Treasury business of the place might be transferred, and that you apprehended that, in confiding to the Bank of Bengal and its Branches the management of the Treasury business, we should be able, without detriment to the public interests, to extend such advantages to the Bank as would fairly compensate it for any loss to which it might be exposed from the withdrawal of the $\frac{3}{4}$ per cent. on the Currency business. You hoped, therefore, that we should not find much difficulty in the matter.

4. The principle on which these instructions were based was, that a full compensation should be offered to the Bank for the loss of the advantages which it enjoyed under that part of its agreement with the Government which related to its Agency for the Currency. It was, therefore, necessary for us to consider how far the circumstances adverted to by you constituted such an equivalent.

5. The establishment of Branch Banks at the principal places in the interior, with the management of the Government business and the use of the Government Balances, was an advantage which was much pressed by the Bank in the early stage of its present connection with the Government; but as this concession had been already made, it could not be relied upon in our negociation with the Bank.

6. In our letter dated January 2nd last, we stated that we should proceed in our arrangements for the transfer of the Treasury business to Branches of the Bank of Bengal, whenever circumstances appeared favourable, in accordance with paragraph 56 of your Despatch, dated the 16th of September preceding, care being taken that all phrases which seemed to confer on them any power of interference with, or control over the issue of notes, were expunged from the agreements; and the Bank was accordingly informed that we were prepared to transfer to it the Government Cash Balances and Treasury business at Allahabad, Lucknow, Agra, Lahore, and Nagpoor, at which places other Banks or Branch Banks had been previously established. It had been previously announced, in a Notification from the Financial Department, dated on the 27th March 1862, that—"Where there are no existing Banks, arrangements will be made with the Bank of Bengal for the establishment of Branches, if that Bank is willing to undertake them on fair terms for the public."

7. It is also deserving of notice, that, however much it may be for the advantage of the Bank of Bengal to be able to establish Branches at the principal places in the interior, with the use of the Government Balances, the full benefit of this position cannot be obtained until sufficient time has elapsed for new connections to be formed and new channels of business to be opened.

8. You observed that the Bank would be relieved by the change from considerable expense and responsibility; but the advantage of this to the Bank would be diminished by the circumstance which has also on several occasions been alluded to by you, that the Bank would, in the ordinary exercise of its Banking functions, continue most of the operations which it now performs in virtue of its position as Agent for the Currency.

9. Seeing, therefore, that the equivalents adverted to in your Despatch were not available, it became necessary for us to propose some other compensation for the loss the Bank would suffer by consenting to forego the Agency for the Currency. This could only be provided by a commutation of the charge for Agency, at the rate of $\frac{3}{4}$ per cent., which the Bank is entitled, under its agreement, to make upon the daily average amount of notes issued through it. We therefore determined to offer to pay to the Bank an annual sum, from the 1st of January next until the expiration of the agreement, equal to what it would have received under the agreement, for the $\frac{3}{4}$ per cent. commission upon an issue of $2\frac{1}{2}$ crores of rupees. This offer was based upon the then existing circulation; and our proposal, therefore, was, that the Bank should continue to receive to the end of the agreement the full amount actually received by it at the date of our making the offer, without any deduction for expenses and risk, and that the Government should take upon itself the expense and risk of the entire circulation, being only saved the charge for Agency upon any increase that might take place in the circulation previously to the termination of the agreement.

10. As you have always expressed yourself favourably to the employment of banks for the transaction of the Government business, irrespective of the management of the Currency, we took this opportunity of considering whether we could place our relations with the Bank, as such, on a more satisfactory footing. We therefore reconsidered the question of transferring the management of the Public Debt to the Bank, and we arrived at the conclusion that the Bank might, with much general advantage, be at once entrusted with the duty of preparing the Interest Drafts, which are already paid by it; and that the management of the Principal of the Debt might also be transferred, as soon as definite regulations could be laid down for the renewal, consolidation, and subdivision of Promissory Notes. In offering to entrust to the Bank of Bengal the management of the Public Debt, we gave an effectual practical proof of our desire for the continuance of the Banking connexion. Such a transfer would be, in the highest degree, inexpedient, if it were not intended to renew our engagement with the Bank when it expires, at the termination of the remainder of the present short term.

11. The letter which was addressed by us in consequence to the Bank of Bengal will be found in the Appendix No. 1.

12. The answer of the Bank is in Appendix No. 2.

13. It will be seen that, besides the payment of $\frac{3}{4}$ per cent. on $2\frac{1}{2}$ crores of rupees, from the 1st January 1864 to the expiration of the agreement, the Bank stipulates for two further concessions as the condition of its releasing the Government from that portion of the agreement which relates to the Agency for the Currency.

14. Under the agreement, the Bank has the use of the Government Balances for ordinary Banking purposes up to 70 lakhs of rupees; and beyond that sum, the Bank is authorized, at its own discretion, to invest in Government Securities, for its own benefit, any further amount from the Government Balances. The amount which has been actually so invested is $79\frac{1}{2}$ lakhs of rupees, the value of which has been enhanced, by the rise in the price of Government Securities, to about $86\frac{1}{2}$ lakhs. The proposal of the Directors is that they should relinquish this power as to any sum in excess of one crore of rupees, on condition that Government sanctions their investing up to that amount, and undertakes not to adopt any steps that would compel a realization of these securities, except in the case of actual requirement by Government, and then only upon reasonable notice given to the Bank.

15. We cannot recommend the adoption of this proposal. The power possessed by the Bank, of investing the Government Balances at its discretion, requires careful watching under any circumstances. Of late the Government has possessed abundant means; but nobody can say how soon our resources may be again strained, and it would be obviously inexpedient to lock up so large a portion of the Public Balances in public securities, with the risk either of the cash not being forthcoming when it was wanted, or of its not being forthcoming without such a pressure on the money market, by a forced sale of securities, as would occasion or aggravate a serious crisis. If the Public Balances are larger than are

wanted

wanted by a million sterling, that amount ought to be invested for the public benefit.

16. The other condition required by the Bank is that the Government will "confirm the existing Banking arrangements for a further period of five years from March 1867." There is nothing inadmissible, in principle, in this proposal. On the contrary, we consider that the increased stability which would be given by a longer engagement to all the arrangements in which the Government and the Bank have a mutual interest, including the Branch Banks, would be a public benefit. It was in this sense that we proposed to transfer the management of the Public Debt to the Bank, which must, as already stated, be regarded as an indication of the intention of the Government to continue the Banking engagement. But the agreement with the Bank ought not to be renewed without a careful reconsideration of the existing arrangements; and it therefore appears to us to be preferable that the Bank should, as proposed by the Secretary of State, consent to relinquish the Agency for the Currency on receiving an equivalent, and that the renewal of the Banking Agreement should be separately dealt with.

17. We are of opinion that the settlement of these arrangements will be simplified and facilitated, if the amount of the compensation due to the Bank for the loss of the Currency Agency is accurately ascertained, and if it be confined to a direct money payment. If the sum offered by us is not really an equivalent for what the Bank would lose by the cessation of the Agency during the remainder of the term of the present agreement, it will be necessary to make an addition to it in order to effect the measure which you have instructed us to carry out.

18. The aggregate of the payments for the three years remaining to complete the engagement on the present issue of notes for all India, would be about 11¼ lakhs of rupees. We do not feel ourselves authorized to enlarge our offer without ascertaining your wishes; and as we cannot accede to either of the proposals made by the Bank, and we are not aware of any other alternative than that which has just been named by us, we think it better to remit the whole subject for your further orders.

19. You observe, in the 19th paragraph of your letter of the 10th of June last, that you cannot give up the condition on which alone any bank can be entrusted with the Government business, and that is, that it should be debarred from dealing at all in Government Exchanges.

20. We hoped that the explanation on this point, contained in the 2nd paragraph of our letter of 2nd January last, would have been satisfactory. The Agency for about 8 crores of Government paper was transferred by the Government to the Bank, about half of which was held by persons residing in England, and the interest has to be periodically remitted thither. The Bank must, therefore, buy bills upon England to meet its drafts to this extent, and beyond this it is not authorised to buy any foreign bills. The Charter Act of the Bank is decisive on this point. Section 28—"In addition to buying and selling Bills of Exchange and granting Post Bills payable in India, it shall be lawful for the Bank to buy Bills of Exchange for the purpose of remitting funds to meet Bills or Letters of Credit drawn by the Bank in favour of their constituents in the Agency Department, and to grant Letters of Credit payable out of India for the use of their constituents in the Agency Department." We have heard it argued that, as other Joint Stock Banks are precluded by their charters from carrying on ordinary Banking business at Calcutta, the Bank of Bengal ought not to interfere with their province of the Foreign Exchanges; but the fact is, that the other Banks do carry on ordinary Banking business at Calcutta, and there is no reason why they should be prevented from doing so, while the Bank of Bengal has nothing to do with the Foreign Exchanges, except for the limited object of meeting the above-mentioned just and necessary liability.

21. In this state of the question in Bengal, we have considered it advisable to postpone making any communication to the other Presidencies in reference to the Banks of Madras and Bombay.

22. As the last passage of the letter of the Bank of Bengal might possibly give rise to some misapprehension, we think it is well to explain that, it having been understood that some members of the Bank Direction entertained exaggerated

apprehensions lest the Government might take some action injurious to the interests of the Bank, if the agreement regarding the currency were not relinquished on the terms offered, the Secretary in the Finance Department informed the Directors that there was no desire whatever on the part of the Government to make any unfair use of the power it possessed, to obtain any concession which the Directors, acting for the interests of their constituents, were unwilling to make.

We have, &c.
*R. Napier.*
*H. B. Harington.*
*C. E. Trevelyan.*
*W. Grey.*

## Appendix No. 1.

From *E. H. Lushington*, Esq., Secretary to the Government of India, Financial Department, to Secretary to the Bank of Bengal, No. 3620; dated 7th August 1863.

I am directed to state, for the information of the Directors, that a despatch has been received, containing a final expression of the disapproval of Her Majesty's Government of that portion of the agreement entered into on the 26th September 1861, by which the Agency of the Circle of Issue of Calcutta, under Act 19 of 1861, was entrusted to the Bank of Bengal, it being in their opinion "wise to entrust to Government Agency, and to Government Agency alone, the issue of paper as well as of metallic money, combining, as far as possible, both measures in the same department of Government, and to leave to Banks only the exercise of legitimate Banking functions."

Subject to this condition, Her Majesty's Government approve of the Treasury business being placed in the hands of the Bank of Bengal and its Branches, and the Government of India is prepared to co-operate with the Bank to establish Branches in different parts of the Lieutenant Governments and Chief Commissionerships composing the Bengal Presidency, to which the Government Treasury business of the place may be transferred.

The advantageous position in which the Bank will thus be placed, with the power of using the Government Balances, as Bankers, at the principal places in the interior, unrestricted by the obligations connected with the Agency, and relieved from the expense and risk attending it, will, it is believed, compensate the Bank for any loss it may sustain in consequence of the withdrawal of the $\frac{3}{4}$ per cent. on the notes issued through its medium during the three years which remain of the term of the agreement.

As, however, these advantages are in some measure prospective, the President in Council is willing, subject to the approval of His Excellency the Governor General, upon the Bank consenting to cancel that portion of the agreement which relates to the Agency of the Government Currency, to pay to the Bank an annual sum, from the 1st of January next until the expiration of the agreement, equal to what it would have received under the agreement for the $\frac{3}{4}$ per cent. commission upon an issue of $2\frac{5}{8}$ crores of rupees.

It is the desire of the Government to make its relations with the Bank of Bengal as permanent and satisfactory as possible, and upon being informed that the Directors consent to the proposed modification of the agreement, the President in Council will cause every subsidiary arrangement to be made in that spirit.

The Government will also be prepared to entrust the management of the Public Debt to the Bank of Bengal as soon as satisfactory arrangements can be made for that purpose, and the preparation of the Interest Drafts may be at once transferred on suitable conditions.

## Appendix No. 2.

From *C. N. Cooke*, Esq., Officiating Secretary and Treasurer, Bank of Bengal, to Secretary to Government of India, Financial Department; dated 1st September 1863.

I have the honour to acknowledge your letter of 7th August, intimating that the Government of India had received a Despatch conveying the final disapproval of Her Majesty's Secretary of State for India of that portion of the Agreement entered into between the Government of India and the Bank of Bengal, on the 26th September 1861, which

which entrusts to the Bank of Bengal the management of the Agency of the Circle of Issue of Calcutta under Act XIX. of 1861, and proposing to the Directors to cancel this part of the Agreement on certain terms indicated.

In reply I am to state, that it is with the greatest regret the Directors have had to take into consideration the reversal of a policy adopted after the most mature consideration by the Government of India, acquiesced in for upwards of two years by the Home Government, which has so far worked well, and which the Directors believe to have made itself generally acceptable to the public.

Until the completion of the main lines of Railway, the success of any such measure must be partial, and its progress slow: but the Directors believe that the existing arrangement offers the best available means of obtaining that grand desideratum of this country—a uniform convertible Paper Currency; and they feel satisfied that as the Government Notes gradually establish for themselves that general acceptance which is only a question of time, and as improved means of communication afford facilities for the transmission of specie, it will be in the power of the Bank, through its branches in different parts of the country, to afford the same degree of convertibility as is given by the branches of the Bank of England to the issues of the parent establishment, and which, though legally insufficient, is practically complete.

The Directors, however, feel that Government having adopted a different view of the matter, it becomes them to endeavour to maintain that accord with Government in which they are satisfied the best interests of the Bank are involved, and with this view to go as far as their duties as custodians of the interests of the shareholders will permit. They have to bear in mind that many of the present shareholders have purchased in at very heavy premia, on the faith of the maintenance of existing arrangements; and the Directors feel that they would not be justified to their proprietors in modifying the existing agreement, unless satisfied that the Bank obtains a full equivalent for the advantages of the position it is proposed to it to relinquish. Confident that they will have the concurrence of Government in this view of their duties, they feel sure they will be excused for stating their conclusion, that the proposals in your letter now under acknowledgment are insufficient, and such as they would not be warranted in accepting.

The Directors, however, do not think that much difficulty need arise in finding an equivalent, which, while it advantages the Bank, will do so without proving onerous to Government, and this they suggest may be found in a modification of Clause No. 4 of the Agreement between Government and the Bank. Under this clause the Bank is authorized to invest in Government Securities such portion of the Government Reserve as the Directors may, in their discretion, deem prudent; and the Directors now propose to relinquish this power as to any sum in excess of one crore of rupees, on condition that Government sanctions their investing up to that amount, and undertakes not to adopt any steps that would compel a realization of these Securities, except in the case of actual requirement by Government, and then only upon reasonable notice given to the Bank. If Government will adopt this suggestion, and will confirm the existing Banking arrangements for a further period of five years from March 1867, the Directors will join with the Government in cancelling that part of the Agreement which relates to the management of the Currency, receiving from Government payment of $\frac{3}{4}$ths per cent. on a sum of $2\frac{1}{2}$ crores of rupees, from 1st January 1864 to expiration of the Agreement.

In reply to the last paragraph of your letter, I am instructed to say that the Directors of the Bank will be prepared to assume the management of the Public Debt of India and the payment of interest thereon, on receiving the cost of the Government Establishments at present engaged on this duty, or of such sum as will repay the Bank the actual expenditure to be incurred, and afford reasonable remuneration for the risks and responsibilities to be undertaken.

In conclusion I am to state that, while submitting these proposals to Government, the Directors wish to intimate their entire readiness to consider any alternative propositions Government may be disposed to make, with the sole reservation that they afford adequate equivalent for what they are asked to give up. The Directors have not overlooked the advantage of being relieved from their responsibilities in connection with the Paper Currency; but, as a question of expense, they feel that the transfer to Government will not afford the Bank any relief, as in the interest of the public it will be necessary for them to continue to afford the same facilities for the cashing and issue of Notes, and to maintain in its integrity the present expensive establishment entertained for this purpose.

The Directors have felt the greater confidence in thus submitting their views, from having received an assurance, for which they desire to express their acknowledgments to the President in Council, that whatever may be the result of this correspondence, it will not affect the friendly feelings entertained by the Government towards the Bank.

Financial Department.—No. 139 of 1863.

To the Right Honourable Sir *Charles Wood*, Bart., M.P., Secretary of State for India.

Fort William, 16 November 1863.

Sir,

We have the honour to forward a copy of the correspondence noted in the margin, relative to the progress of investments on account of the Currency Department.

Statement of the amount of Government Currency Notes in circulation, of the amount of Coin and Bullion Reserve, and Government Securities held by the Department of Issue of Paper Currency, on the 31st October 1863.
Financial Resolution, No. 5513, dated 11th November 1863.
Letters to the Deputy Auditors and Accountants General, Bombay and Madras, and to the Head Commissioner, Department of Issue of Paper Currency, No. 5512, dated 11th November 1863.

2. The total amount now invested is two crores of rupees.

We have, &c.,
*R. Napier.*
*H. B. Harington.*
*H. S. Maine.*
*C. E. Trevelyan.*
*W. Grey.*

Enclosures to No. 139 of 1863.

STATEMENT of the Amount of Government Currency Notes in circulation, of the Amount of Coin and Bullion Reserve and Government Securities held by the Department of Issue of Paper Currency, on the 31st October 1863.

| | Calcutta. | Bombay. | Madras. | Total. |
|---|---|---|---|---|
| | *Rs.* | *Rs.* | *Rs.* | *Rs.* |
| Notes in Circulation - | 2,95,00,000. 0.0 | 1,95,00,000 | 73,00,000 | 5,63,00,000. 0.0 |
| Silver Coin Reserve - - | 1,84,55,921.12.4 | 1,43,00,000 | 73,00,000 | 4,00,55,921.12.4 |
| Silver Bullion Reserve - | - - - - | 52,00,000 | - - - | 52,00,000. 0·0 |
| Government Securities | *1,10,44,078. 3.8 | - - - | - - - | 1,10,44,078. 3.8 |

Calcutta Mint, 4 November 1863.

*H. Hyde,*
Head Commissioner Department of Issue of Paper Currency.

Financial Department.—No. 5513.

Fort William, 11 November 1863.

RESOLUTION.

THE Honourable the President in Council observes that the investments which have, from time to time, been sanctioned by the Governor General in Council under Section X., Act XIX. of 1861, from the coin deposited in exchange for Government Notes, now amount to two crores of rupees.

The payments for making these investments have hitherto been made entirely from the sum deposited in the Office of the Calcutta Circle of Issue; but although it is desirable that all the investments should be made under the direction of the Head Commissioner of Issue, and that the Government Securities should be held in his name, yet the amounts for investment ought to be withdrawn in due proportion from all the Circles of Issue.

According to the latest return, dated the 4th of this month, the notes in circulation and silver coin reserve at Madras each amount to 73 lacs of rupees, of which amount 35 lacs may with safety and advantage be invested.

The most convenient mode of effecting the transfer will be by the Head Commissioner of Currency at Madras paying 35 lacs of rupees to the General Account of the Government at the Bank of Madras, and by an equal sum being paid by the Government of India to the credit of the Head Commissioner of Currency at Calcutta.

The

* Some more Securities received are under adjustment.

The notes in circulation at Bombay at the same date amounted to 1,95,00,000 rupees, but the reserve consisted of 1,43,00,000 rupees in silver coin, and 52 lacs in silver bullion. As the Bombay Mint cannot yet keep pace with the demands made upon it for converting bullion into coin, it is advisable to postpone, for the present, the withdrawal of any portion of the coin in reserve.

ORDERED, that a copy of this Resolution be communicated to the Head Commissioner of Issue, Paper Currency, to the Accountant General, Government of India, and to the Deputy Auditors and Accountants General at Madras and Bombay, with a request that the last-named officers will arrange for the remittance to Bombay (where it is required to assist in meeting the Secretary of State's Bills) of the 35 lacs of rupees which are to be transferred to the Government Account at Madras from that of the Department of Issue.

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From *E. H. Lushington*, Esq., Secretary to the Government of India, Financial Department, to the Deputy Auditor and Accountant General, Bombay; No. 5512, dated 11 November 1863.

I AM directed to transmit, for your information and guidance, a copy of a Resolution in this Department of this date, and to desire that you will arrange with the Officiating Deputy Auditor and Accountant General at Madras for the remittance to Bombay of the 35 lacs of rupees therein adverted to, either by the transmission of the specie to Bombay, or by the sale of Bills on Madras, as may appear to you to be most advisable.

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From *E. H. Lushington*, Esq., Secretary to the Government of India, Financial Department, to the Deputy Auditor and Accountant General, Madras; No. 5512, dated 11 November 1863.

I AM directed to transmit, for your information and guidance, a copy of a Resolution in this Department of this date, and to state that the Deputy Auditor and Accountant General at Bombay has been instructed to arrange with you for the remittance to Bombay of the 35 lacs of rupees therein adverted to, either by the transmission of the specie to Bombay, or by the sale of Bills on Madras, as may appear to him to be most advisable.

2. It is desired that no portion of the remittance may be m de by the purchase of Mercantile Bills.

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From *E. H. Lushington*, Esq., Secretary to the Government of India, Financial Department, to Captain *H. Hyde*, Head Commissioner, Department of Issue of Paper Currency; No. 5512, dated 11 November 1863.

I AM directed to transmit, for your information and guidance, a copy of a Resolution in this Department of this date, and to desire that you will instruct the Deputy Commissioner of Currency at Madras to transfer 35 lacs of rupees from the silver coin reserve at that place to the Government Account at the Bank of Madras.

2. The corresponding sum which will be paid to you at Calcutta will be credited by you to the Deputy Commissioner of Currency at Madras, as part of the aggregate investment of two crores.

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## Financial Department.—No. 33 of 1863.

To Her Majesty's Principal Secretary of State for India in Council, London.

Right Honourable Sir, Bombay Castle, 28 November 1863.

WE have the honour to forward herewith copies of the papers noted in the margin, relative to the present state of the Money Market at Bombay, and the measures which have been taken by us to afford relief to the public.

Letter from the Manager of the Commercial Bank of India, dated 10th November, 1863.
Letter from the Agent Oriental Bank Corporation, dated 16th November 1863.
Report by the Deputy Auditor and Accountant General, No. 1656, dated 16th November 1863.
Letter to the Deputy Auditor and Accountant General, No. 1181, dated 19th November 1863.
Letter to the Manager of the Commercial Bank of India and the Agent Oriental Bank Corporation, No. 1182, dated 18th November 1863.
Letter to the Government of India, No. 1190, dated 20th November 1863.

We have, &c.
*H. B. E. Frere.*
*W. E. Frere.*
*J. D. Inverarity.*

## Enclosures to No. 33 of 1863.

To *A. D. Robertson*, Esq., Financial Secretary to Government.

Sir,

I BEG to bring to your notice the extremely critical state of financial matters in Bombay at the present moment, and to express my conviction that, unless Government interferes in some manner so as to grant relief, something approaching to a general bankruptcy must take place within the next few days.

2. The Mint is working in a more dilatory manner than it ever was known to do before when such an amount of bullion had been tendered to it for coinage, and it is reported that the orders at the Mint are that the Assay Department shall not work in excess of the Coinage Department. At present I believe the out-turn is only about two lacs a-day. Last year, when the pressure was not half so severe as now, the Mint worked night and day, and the out-turn was double what it is at present.

3. I would respectfully suggest, as the most obvious mode to me of granting the relief that has become indispensable to the mercantile community, that the Mintmaster should be authorised to issue Certificates for an amount approximating to the value of the silver bullion tendered to the Mint for coinage. By this mode relief would be granted at once, and I have already stated my conviction that the greatest danger is to be apprehended during the next two or three days; but any other method which to the wisdom of Government may be more expedient would be a boon to the public.

I have, &c.
*John Cardno*,
Manager Commercial Bank of India.

Bombay, 16 November 1863.

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(No. 13-10717.)

To the Honourable *A. D. Robertson*, Esq., Financial Secretary to Government, Bombay.

Sir,

I have the honour to bring to your notice the present unexampled state of commercial affairs in Bombay. You are doubtless aware of the critical state of the Money Market, and the great difficulty the public have in procuring money on any security whatever. Should no relief be afforded, and any alarm arise in the Bazaar, it is difficult to predict what the consequences might be.

2. In these circumstances I would respectfully suggest that the present time is one when the Government have it in their power to relieve considerably, and probably effectually, the present pressure, by causing to be granted Certificates to the public on approximate amounts of silver now lying at the Mint. I understand that a very large amount of coined rupees are at the Mint; and as the present arrangements there are now incompatible with the wants of the public at this Presidency, the Government would confer a boon on the public by issuing Certificates of payment at once, and might possibly be the means of averting a crisis.

I have, &c.
*R. Macneil*,
Agent Oriental Bank Corporation.

Bombay, 16 November 1863.

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Financial Department.—No. 1656 of 1863-64.

To the Financial Secretary to Government, Bombay.

Sir,

I have the honour, with reference to the Officiating Under Secretary Mr. Richey's endorsement No. 1172, dated 16th instant, to report that the issue of Mint Certificates without providing for their payment would, under the existing state of the Government Balance, be most inconvenient; but I would suggest that the coin in the Currency Department, which amounts to about 140 lacs in round numbers, might be made available for this purpose in exchange for bullion tendered to the Mint, which should be assayed as soon as possible, and that such exchange might be carried out to the extent of 60 lacs: 20 lacs have already been transferred; this would make the amount up to 80 lacs. The bullion in the Currency Department would then amount to 117 lacs, and the coin to about 78 lacs. I note that on the 30th April last the Statement of the Currency Department exhibited a circulation of 185 lacs: the bullion was 130, and the coin 55 lacs.

I have, &c.
*S. D. Birch*,
Deputy Auditor and Accountant General.

Bombay, Deputy Auditor and Accountant General's Office,
16 November 1863.

Financial Department.—No. 1181 of 1863.

To *S. D. Birch*, Esq., Deputy Auditor and Accountant General.

Sir, Bombay Castle, 18 November 1863.

I AM directed by the Honourable the Governor in Council to acknowledge the receipt of your letter No. 1656, dated 16th instant, in reference to letters from the Manager of the Commercial Bank of India and the Agent of the Oriental Bank Corporation relative to the present critical state of the Money Market, and requesting Government to afford relief to the public by authorising the Mintmaster to issue Mint Certificates for amounts approximating to the value of the silver bullion tendered to the Mint for coinage.

2. In reply, I am desired to state that His Excellency in Council considers the issue of Mint Certificates in the manner proposed is out of the question, and concurs in your suggestion to expedite the assay of the silver bullion already tendered to the Mint, and to provide for the payment of the Certificates when ready, by making a portion of the coin in the Currency Department (which at present amounts to 143 lacs of rupees) available for the purpose.

3. With this view, you propose that, in addition to the 20 lacs transferred from the Currency Department to the Mint under the Resolution No. 1140, dated 5th instant, a further sum of 60 lacs of rupees be so transferred. His Excellency in Council is pleased to approve of and authorise the adoption of this suggestion.

4. I am further directed to request you to instruct the Mintmaster to again work day and night, and increase the assays as far as the power of the Establishment will admit.

5. I am also desired to request you to forward daily, until further orders, a Return showing the amount of bullion tendered to the Mint for coinage, and the proportion of this assayed and unassayed, as also the amount deposited in the Currency Department, and the amounts of coined rupees in the Mint, Currency Department and Government Treasury.

I have, &c.
*A. D. Robertson,*
Officiating Chief Secretary to Government.

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Financial Department.—No. 1182 of 1863.

To *J. Cardno*, Esq., Manager Commercial Bank of India.

To the Manager Oriental Bank Corporation, Bombay.

Sir, Bombay Castle, 18 November 1863.

I AM directed by the Honourable the Governor in Council to acknowledge the receipt of your letter of the 16th instant, relative to the present critical state of the Money Market, and requesting Government to afford relief to the public by authorising the Mintmaster to issue Mint Certificates for amounts approximating to the value of the silver bullion tendered to the Mint for coinage.

2. In reply, I am desired to state that the Governor in Council considers the issue of Mint Certificates in the manner proposed by you is out of the question; but I am instructed to inform you that the Mintmaster has been desired to expedite the assay of the silver bullion already tendered to the Mint as far as the power of the establishment will admit, and that instructions have been issued to the Deputy Auditor and Accountant General to provide for the payment of the Certificates when ready.

3. I am further directed to inform you that orders have been issued to again work the Mint day and night.

I have, &c.
*A. D. Robertson.*
Officiating Chief Secretary to Government.

Financial Department.—No. 1190 of 1863.

From *A. D. Robertson*, Esq., Officiating Chief Secretary to the Government of Bombay, to *E. H. Lushington*, Esq., Secretary to the Government of India.

Sir, Bombay Castle, 20 November 1863.

I AM directed to bring to the notice of the Government of India the critical position in which the Money Market of Bombay is at present placed.

2. The Bank of Bombay raised its rates on the 29th ultimo 11 per cent. on Government Bills, and 13 per cent. on Private Bills, and has during the last three weeks been obliged to refuse all accommodation to the public for want of available funds at its command; and so low had the Bank's balance fallen that on the 14th instant it stood only as follows:—

| | *Rs.* |
|---|---|
| Cash - - - - - - - | 4,13,753 |
| Notes - - - - - - - | 5,77,580 |
| Total - - - *Rs.* | 9,91,333 |

3. The other Banks, it is believed, are also in a similar position; and the Managers of two of them * (copies of whose letters are annexed), have addressed Government on the subject, requesting that the Mintmaster be authorised to issue Mint Certificates for amounts approximating to the value of the silver bullion tendered to the Mint for coinage.

4. This state of matters, which it was believed would have been relieved after the Dewallee (at which time there is always a temporary pressure, owing to the practice of the native merchants of accumulating all their available money in their houses for luck's sake), is, I am to observe, prevailing while there is no want of bullion in the hands of the Banks and European firms; and if this bullion could be converted into coin, the immense pressure on the market would at once be removed.

5. His Excellency the Governor in Council has informed the Agents of the Banks above referred to that the issue of Mint Certificates, as suggested by them, is out of the question, as it would merely transfer the pressure from them to Government; but instructions have, I am to state, been issued, directing the Mintmaster to expedite, as far as the power of the establishment will admit, the assay of the silver bullion already tendered to the Mint; † and, with a view to provide for the payment of the Certificates when ready, the Deputy Auditor and Accountant General has been authorised to transfer 60 lacs of Rupees from the Currency Department to the Mint, in exchange for an equivalent in bullion, in addition to the transfer of the 20 lacs of rupees previously reported to have been made in my letter of the 13th instant, No. 1155.

6. But as there is no indication of any relaxation in the importation of bullion, and as no portion of the machinery of the New Mint will be in operation until the beginning of January next (when the engines, and the rolling mill, adjusting mill, and cutting-out room are all expected to be ready), I am instructed to request that the Government of India will, at their earliest convenience, order, as an additional measure of relief, a remittance of coined rupees to be made to this Presidency to any extent possible.

I have, &c.
*A. D. Robertson*,
Officiating Chief Secretary to Government.

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Financial Department.—No. 146 of 1863

To the Right Honourable Sir *Charles Wood*, Bart., M.P., Secretary of State for India.

Sir, Fort William, 4 December 1863.

IN continuation of our letter dated 16th ultimo, we have the honour to transmit, for your information, copies of the correspondence, as per annexed list, with the Government of Bombay, the Deputy Auditors and Accountants General at

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* The Commercial Bank and the Oriental Bank Corporation.

† The amount of unassayed bullion in the Mint was on the 17th instant about 58 lacs.

at Bombay and Madras, and the Head Commissioner of Currency, on the management of the Currency Department at Bombay, and the supply of the Government Treasury at that place.

We have, &c.
*W. Denison.*
*R. Napier.*
*H. B. Harington.*
*H. S. Maine.*
*C. E. Trevelyan.*
*W. Grey.*

## Enclosures to No. 146 of 1863

From *A. D. Robertson*, Esq., Officiating Chief Secretary to the Government of Bombay, to *E. H. Lushington*, Esq., Secretary to the Government of India, Financial Department; No. 1155, dated Bombay Castle, 13 November 1863.

In forwarding the accompanying copy of a letter from Lieutenant Colonel Ballard, the Mintmaster, to the address of the Deputy Auditor and Accountant General,* I am directed to report, for the information of the Government of India, that the Hon. the Governor in Council has, in consequence of large importations of silver at this Presidency having commenced, authorised the transfer of (20) twenty lacs of coin from the Currency Department to the Mint for bullion, to meet the Assay Certificates as they are issued.

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From Lieutenant Colonel *J. A. Ballard*, C.B., Mintmaster, Bombay, to the Deputy Auditor and Accountant General, Bombay; No. 1190, dated 28 October 1863.

I have the honour to suggest that an exchange of 20 lacs of coin for bullion be gradually made between the Currency Department and Mint, as occasion requires.

2. Some exchange will probably require to be made sooner or later; and as the Mint will not be coining for the next few days (the machinery being out of order), it may be more convenient to the Treasury to make it now, as the Bullion Certificates are issued.

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From *A. D. Robertson*, Esq., Officiating Chief Secretary to the Government of Bombay, Financial Department, to *E. H. Lushington*, Esq., Secretary to the Government of India, Financial Deparment; No. 1190, dated 20 November 1863. *Vide* page 100.

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From *John Cardno*, Esq., Manager, Commercial Bank of India, Bombay, to *A. D. Robertson*, Esq., Financial Secretary to Government of Bombay, dated 16 November 1863. *Vide* page 98.

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From *R. Macneil*, Esq., Agent, Oriental Bank Corporation, Bombay, to the Hon. *A. D. Robertson*, Financial Secretary to Government, Bombay; No. 13-10717, dated 16 November, 1863. *Vide* page 98.

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Telegram sent by Sir *Charles Trevelyan* to *S. D. Birch*, Esq., on 1 December 1863.

Instead of the 30 lacs to Calcutta, referred to in my letter of November 25th, send 40 lacs of bullion from the Currency Department to Madras, to be coined and remitted to Bombay, or to be drawn upon by you. A corresponding sum will be paid here to the Currency Department, to be invested to the credit of the Bombay Circle. The real cost of sending by guaranteed railway is only the working charges. The reserve of coin in the Currency Department at Bombay is on no account to be further reduced, and the existing bullion should be replaced by coin as soon as possible.

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Telegram from Deputy Auditor and Accountant General, Bombay, to Sir *Charles Trevelyan*, 3 December 1863.

Forty lacs of Currency Department Bullion will be sent to Madras, as directed, on 1st instant.

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* No. 190, dated 28 October 1863.

TELEGRAM from the Financial Secretary, Calcutta, to the Chief Secretary, Bombay, dated 3 December 1863.

YOUR letters of the 13th and 20th of November have been received. Thirty-five lacs of rupees have been ordered to be remitted from Madras, and Mr. Birch will send 40 lacs of bullion from the Currency Department to be minted at Madras, and will receive an equal sum in coin. This will add 75 lacs to the Government Balance to meet the Secretary of State's Bills and pay Mint Certificates until the new machinery has been got ready.

The Governor General in Council desires that the reserve of coin in the Currency Department may not be diminished by any further *exchange* of bullion for coin.

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TELEGRAM from the Financial Secretary, Calcutta, to the Deputy Auditor and Accountant-General, Bombay, dated 3 December 1863.

THE following telegram has been sent to the Chief Secretary:—Mr. Lodwick has been desired to hold 40 lacs of coin at your disposal in addition to the 35.

(*See* above.)

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TELEGRAM from the Financial Secretary, Calcutta, to Mr. *Lodwick*, Deputy Auditor and Accountant General, Madras, dated 3 December 1863.

MR. BIRCH will send you 40 lacs of bullion to be minted at Madras, and you are desired to hold an equal sum in coin at his disposal. This is in addition to the 35 lacs withdrawn from the Currency Deposits.

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From *E. H. Lushington*, Esq., Secretary to the Government of India, Financial Department, to the Chief Secretary to the Government of Bombay, No. 5,979, dated 4 December 1863.

I AM directed to acknowledge the receipt of your letters, dated the 13th of November, No. 1155, and the 28th of November, No. 1190, with their respective enclosures.

2. In the first of these letters, you state that the Hon. the Governor in Council had authorised the transfer of 20 lacs of rupees from the reserve of coin in the Currency Department to the Mint, to meet the Assay Certificates as they are got ready; and in the second, you report that His Honour in Council had authorised the further transfer of the sum of 60 lacs of rupees from the Currency Department to the Mint, for the same purpose—being 80 lacs of coined money in all—an equivalent value in bullion being transferred from the Mint to the Currency Department.

3. I am directed to observe that this practice of using the deposits of coin upon which the paper circulation is based as an available fund for supplying the Government Treasury with coin, is entirely inconsistent with the principles upon which the Government Note circulation ought to be conducted. However much an unsatisfactory state of the money market is to be regretted, it would be a far greater and more general calamity if the credit of the Government Note circulation were to be shaken; and a time of unusual demand for specie is one when it is especially necessary that there should be an ample reserve of coin; *bullion* is, of course, not available for the payment of the notes that may be presented.

4. I am, therefore, commanded by the Governor General in Council to desire that the reserve of coin in the Currency Department may not be diminished by any further exchange of bullion for coin, and that the bullion now in the Currency Department may be replaced by coin as soon as possible.

5. In your letter of the 20th of November, you state that as there is no indication of any relaxation in the importation of bullion, and as no portion of the machinery of the new Mint will be in operation until the beginning of January next, it is requested that the Government of India will, at their earliest convenience, order a remittance of coined rupees to be made to the Bombay Presidency to any extent possible.

6. In reply, I am commanded to state that 75 lacs of rupees of coined money has been already placed at the disposal of the Deputy Auditor and Accountant General at Bombay, for the purpose of strengthening the Government Balance at that place to meet the Secretary of State's Bills and the Mint Certificates.

FROM *E. H. Lushington*, Esq., Secretary to the Government of India, Financial Department, to the Deputy Auditor and Accountant General, Bombay, No. 5980, dated 4 December, 1863.

I AM directed to transmit, for your information and guidance, a copy of a letter which has been this day addressed to the Chief Secretary to the Government of Bombay.

2. In reference to a telegram which you have already received on the subject, I am to desire that you will transmit to Madras, to be minted there, 40 lacs of rupees worth of the bullion now deposited in the Currency Department; and the Deputy Auditor and Accountant General at Madras has been instructed to hold an equivalent amount in coined rupees at your disposal.

3. This sum, when received, you will add to the Government Balance, and an equal amount will be invested here to the credit of the Bombay Currency Circle.

4. In making remittances, you will remember that, owing to the peculiar arrangement under which the difference between the net profits on the guaranteed railways and interest at five per cent. on their capital has to be made good by the Government, the real cost of sending Government property by guaranteed railway is only the actual working charges.

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FROM *E. H. Lushington*, Esq., Secretary to the Government of India, Financial Department, to the Deputy Auditor and Accountant General, Madras, No. 5981, dated 4 December 1863.

WITH reference to my telegram on the same subject, I am directed to inform you that the Deputy Auditor and Accountant General at Bombay has been instructed to transmit to you bullion to the amount of 40 lacs of rupees to be minted at Madras, and you are desired to hold an equal sum in coined money at his disposal, to be remitted to him as soon as he may desire.

2. In making remittances you will remember that, owing to the peculiar arrangement under which the difference between the net profits on the guaranteed railways and interest at five per cent. on their capital has to be made good by the Government, the real cost of sending Government property by guaranteed railway is only the actual working charges.

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FROM *E. H. Lushington*, Esq., Secretary to the Government of India, Financial Department, to Captain *H. Hyde*, R. E., Head Commissioner, Department of Issue of Paper Currency, No. 5982, dated 4 December 1863.

I AM directed to transmit for your information and guidance copies of the undermentioned letters which have been addressed to the Chief Secretary to the Government of Bombay, and to the Deputy Auditors and Accountants General at Bombay and Madras.

Letter from the Secretary to the Government of India, Financial Department, to the Chief Secretary to the Government of Bombay, No. 5979, dated 4 December 1863.

Letter from the Secretary to the Government of India, Financial Department, to the Deputy Auditor and Accountant General, Bombay, No. 5980, dated 4 December 1863.

Letter from the Secretary to the Government of India, Financial Department, to the Deputy Auditor and Accountant General, Madras, No. 5981, dated 4 December 1863.

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## Financial Department.—No. 160 of 1863.

### To the Right Honourable Sir *Charles Wood*, Bart., M. P., Secretary of State for India.

Sir,

WE have had the honour of receiving your Letter, dated the 10th of November, *No. 202, stating that you had considered it expedient to increase for the present the amount for which Bills would be drawn upon India, and enclosing a copy of an advertisement intimating that, until further notice, Bills to the amount of 90,00,000 rupees would be granted in each month, instead of 70,00,000 as at present.

*Note.*—This Letter related solely to drafts on India.

2. Under ordinary circumstances, the existing amount of the Indian Balances (which at the end of last month were 13,48,86,000 rupees), and the accretion which may be expected according to the experience of former years as the season advances, would certainly have borne this additional demand; but events have occurred which require serious consideration.

3. The general scarcity of specie throughout India has for the present disadvantageously affected the Opium Revenue. The average price realized at the sale at the commencement of this month fell to 1,235 rupees, and the taking out of passes for the Malwa Opium may be said to be altogether suspended.

4. The operations in the Peshawar frontier involve extensive preparations which in the present state of prices and wages will make a large addition to the military expenditure.

5. But the circumstance which more immediately interferes with the freedom of our financial action is that under the agreements made with the Banks of Bengal and Bombay, the Government Balances deposited with those establishments can no longer be relied upon. The general cash balance to the credit of this Government is spread over the vast extent of India according to the exigencies of the different local treasuries for the payment of the troops and other demands upon them; and in order to meet the extraordinary payments, it has been usual to keep a large reserve at the principal Treasury at Calcutta. After deducting about one crore of rupees, which under the agreement is set apart in coin, our balance at the Bank of Bengal amounts to about two crores; but how little this balance is really at our disposal will be seen from the accompanying Minute recorded by Sir C. Trevelyan on the 16th instant. A copy of a letter which was addressed by us to the Government of Bombay on the 17th instant is also sent. We shall address you again on the subjects discussed in these papers, and our object in sending them to you now is merely to place you in possession of the information which they contained in regard to the state of our balances.

6. On a review of these circumstances, we think you will agree with us that it is advisable that you should limit your drafts upon us for the present as much as may be consistent with the necessary demands upon you.

We have, &c.,
*W. Denison.*
*R. Napier.*
*H. B. Harrington.*
*H. S. Maine.*
*C. E. Trevelyan.*
*W. Grey.*

Fort William, 18 December 1863.

*P.S.*—We beg to add two Minutes on the above subject recorded by his Excellency the Governor General and the Honourable W. Grey.

21 December, 1863.

## Enclosures to No. 160 of 1863.

### MINUTE by Sir *C. E. Trevelyan*; dated 16 December 1863.

IN our Despatch to the Secretary of State of the 7th of September last we observed as follows:—

14. "Under the Agreement, the Bank of Bengal has the use of the Government Balances for ordinary Banking purposes up to 70 lacs of rupees; and, beyond that sum, the Bank is authorised, at its own discretion, to invest in Government Securities, for its own benefit, any further amount from the Government Balances. The amount which has been actually so invested is 79½ lacs of rupees, the value of which has been enhanced by the rise in the price of Government Securities, to about 86½ lacs. The proposal of the Directors is that they should relinquish this power as to any sum in excess of one crore of rupees, on condition that Government sanctions their investing up to that amount, and undertakes not to adopt any steps that would compel a realisation of these Securities, except in the case of actual requirement by Government, and then only upon reasonable notice given to the Bank.

15. "We cannot recommend the adoption of this proposal. The power possessed by the Bank, of investing the Government Balances at its discretion, requires careful watching under any circumstances. Of late the Government has possessed abundant means; but nobody can say how soon our resources may be again strained, and it would be obviously inexpedient to lock up so large a portion of the public balances in public securities,

securities, with the risk either of the cash not being forthcoming when it was wanted, or of its not being forthcoming without such a pressure on the money market, by a forced sale of Securities, as would occasion or aggravate a serious crisis. If the public balances are larger than are wanted by a million sterling, that amount ought to be invested for the public benefit."

Scarcely two months had passed after this had been written when signs began to appear of the commencement of the anticipated crisis, and now we are in the midst of it.

On the 19th of November the Financial Secretary informed the Directors of the Bank of Bengal, by my desire, that it was probable that we should have to draw heavily upon them, and he suggested for their consideration whether it would not be for their advantage to convert into money great part of the 86 lacs which they had invested in Government Securities out of the public balances in their hands. The answer I received was, that, rather than sell any portion of the paper held by them on account of the Government, they had determined to sell some of their own Government Paper in England; but this was only to the amount of about 12 lacs, and a limit of price was prescribed which was likely to prevent the sale.

On the 10th of December the Financial Secretary informed the Directors that the expectation previously expressed had been realised, and that it was indispensably necessary for them to prepare to meet our drafts by reconverting the greater portion of the 86 lacs into money. The answer I received will be seen from the following extract from a note from the Financial Secretary, of the same date:—

"I spoke to the Bank Directors to-day on the subject of the sale of the Government Securities purchased out of the Government Funds. I read to them an extract of your note saying that the investment of this money was '*causing serious public embarrassment.*' They expressed their inability to sell in the present state of the market; they were of opinion that there was not money to buy the paper, even at the present rates, and that, *if forced* to sell, the rates they would obtain would be ruinously low. This state of things indubitably establishes the *complete* failure of the present system. The Directors are doing the best they can to gather up their resources, and to limit their transactions as much as they possibly can."

These 86 lacs, or 860,000 *l.*, have, therefore, for any present purpose, been as completely cut off from the Government Balance as if they had never belonged to it. The Directors would not sell while they could still do so at a gain compared with the prices at which they had bought, and now they could not sell without loss to themselves, and a serious aggravation of the disturbed and exhausted state of the money market. In all our calculations of the means at our disposal for meeting the heavy drain upon us from various quarters, we must estimate the Public Balances at whatever they may be, *minus* 860,000 *l.*

But this is far from being all. According to the statement of the affairs of the Bank of Bengal for the week ending the 9th of December, the Reserve of the Bank at the Head Office and Branches, in Notes and Specie, to meet Government liabilities to the amount of 1,96,78,612 rupees (1,967,861 *l.*), and private liabilities to the amount of 1,62,04,049 rupees (1,620,404 *l.*), was only 99,81,333 rupees (998,133 *l.*).

The total amount of the Government Balance at the Head Office and its Branches was 2,96,78,612 rupees (2,967,861 *l.*); but of this, one crore, or 1,000,000 *l.*, was held in reserve in coin on account of the Government, and I have, therefore, only stated the difference as the liability to the Government.

The Bank's Reserve at the Head Office at Calcutta amounted only to 56,64,853 rupees.

It will be seen from this what very large investments have been made by the Bank from the Government Balances, partly in Government Securities and partly in its general Banking business. Nearly the whole of that portion of the Government Balances over which the Bank possessed a control, *i.e.*, 1,96,78,612 rupees, after deducting the crore set apart as the Government Reserve, has been invested—86,42,200 rupees in Government Securities, and 1,10,36,168 in the Bank's general Banking business.

The regularity of our financial operations has been already deranged by this state of things. Instead of having at our command the usual ample balance in the principal treasury of the Supreme Government, which has always heretofore been relied upon as the great reserve in time of need, we have been obliged, even from the commencement of the crisis, to manage and spare that balance. It had been arranged that 40 lacs of rupees of bullion from the Bombay Currency Department was to be coined at Madras, and sent back to reinforce the Government Balance at Bombay, an equal amount being invested at Calcutta as part of the two crores of Government Securities held by the Currency Department; but, under present circumstances, although the Government Balance at the Bank of Bengal amounts to about three crores, public inconvenience might arise from ordering the payment of these forty lacs. And what has come is nothing to what may be expected, for we have upon us at once the exhausting military operations on the Peshawar Frontier; the announcement that the Secretary of State has arranged to draw 1,200,000 *l.* upon us before the end of this financial year, in addition to his previous heavy drafts; and the unprecedented scarcity of Specie, which hits us in a variety of ways, but most sensibly in knocking down the price of the Calcutta Opium sales, and altogether preventing the taking out of passes for the Bombay Opium.

On the 11th instant the remonstrance at page 5 of the Appendix* was made to the Bank by order of the Government; and on the 12th the second letter was written, stating that it was necessary that the bulk of the Government Balances at Allahabad, Nagpore, Lucknow, and Agra, should be held in a form available to meet the exigencies of the Public Service, and requesting that the Agents at the Branch Banks at those

* App. II. v. page 107.

places might be instructed to reserve in coin such portion of the balances in their respective charge as might be in excess of four lacs. It would not be for anybody's advantage if the moderate balances held in these distant Treasuries for the payment of the troops were to be absorbed in discounting Mercantile Bills.

The opportunity was also taken of again calling attention to the very large investments which had been made by the Bank, partly in Government Securities and partly in its general banking business, from balances belonging to the Government, and of suggesting to the Directors the absolute necessity of increasing their Reserve.

As the Bank is unable to sell the 86 lacs of Government Paper in which that portion of our balance has been invested, I recommend that we should take it off their hands. In transferring it to the Government, it matters not at what nominal price it is rated. We should not think of selling it; and as we should cancel it, and extinguish the interest, our object would be attained, whatever the price might be. The Bank cannot deny that the sum of money with which this Government Paper was purchased was the property of the public, and that we have a right to demand payment of it. The money ought to be placed at our disposal, but as this cannot be done without loss, we may be content to take the Securities. We shall at least save the interest; and such is the impending pressure, that it is only by collecting all our resources and making every possible saving that we can hope to bear it. As the transaction would be merely between the Government and the Bank, the money market would not be affected by it.

Calcutta, December 16 1863. *C. E. Trevelyan.*

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## Appendix I.

## BANK OF BENGAL.

STATEMENT of the Affairs of the Bank of Bengal for the Week ending 9th December 1863.

| | | | | | *Rs.* | *a.* | *p.* |
|---|---|---|---|---|---|---|---|
| **Liabilities:** | | | | | | | |
| Proprietors' Capital paid up | | | | | 1,09,90,909 | 0 | 0 |
| Reserve Fund | | | | | 19,69,257 | 2 | 4 |
| General Treasury Balance at Head Office | | *Rs.* | 2,40,49,400 | 10 8 | | | |
| Ditto ditto at Branches | | „ | 56,29,211 | 15 4 | | | |
| | | | | | 2,96,78,612 | 10 | 0 |
| Other Deposits at Head Office and Branches | | | | | 1,45,99,574 | 8 | 3 |
| Bank Post Bills, &c. | | | | | 1,18,747 | 6 | 8 |
| Bank Notes outstanding | | | | | 9,46,469 | 0 | 0 |
| Sundries | | | | | 5,39,259 | 3 | 3 |
| | | | Total | *Rs.* | 5,88,42,828 | 14 | 6 |
| **Assets:** | | | | | | | |
| Government Securities, Investment No. 1 | | | | | 12,92,805 | 9 | 2 |
| Loans on Government Securities at Head Office and Branches | | | | | 1,57,57,790 | 0 | 0 |
| Accounts of Credit on ditto ditto | | | | | 11,71,418 | 9 | 5 |
| Mercantile Bills discounted at ditto | | | | | 1,09,02,893 | 0 | 6 |
| Dead Stock | | | | | 2,94,694 | 7 | 11 |
| Stamps | | | | | 9,873 | 11 | 0 |
| Banker's Balances | | | | | 3,23,631 | 12 | 2 |
| Sundries | | | | | 4,65,943 | 6 | 11 |
| | | | Total | *Rs.* | 3,02,19,050 | 9 | 1 |
| Treasury Reserve in Coin at Head Office | | *Rs.* | 84,07,200 | 0 2 | | | |
| Ditto ditto at Branches | | „ | 15,93,044 | 10 7 | | | |
| | | *Rs.* | 1,00,00,244 | 10 9 | | | |
| Ditto invested in Government Securities and claims against Government | | „ | 86,42,200 | 10 6 | | | |
| | | | | | 1,86,42,445 | 5 | 3 |
| Bank's Reserve in Notes at Head Office | | *Rs.* | 40,70,340 | 0 0 | | | |
| Ditto in Silver ditto | | „ | 15,94,513 | 4 7 | | | |
| | | *Rs.* | 56,64,853 | 4 7 | | | |
| Bank's Reserve in Notes at Branches | | „ | 9,10,740 | 0 0 | | | |
| Ditto in Silver ditto | | „ | 34,05,739 | 11 7 | | | |
| | | *Rs.* | 43,16,479 | 11 7 | | | |
| | | | | | 99,81,333 | 0 | 2 |
| | | | Total | *Rs.* | 5,88,42,828 | 14 | 6 |

By order of the Directors,

D. Woods,
Chief Accountant and Deputy Secretary.

*C. N. Cooke,*
Officiating Secretary and Treasurer.

## Appendix II.

My dear Sir, Treasury, 11 December 1863.

The state of the Bank of Bengal formed one of the subjects of discussion in Council this morning.

It was the general opinion of the members that far too large a proportion of the Government balances was locked up in Securities, which could be only realized at the present time with great loss to the Bank and very serious disturbance of the money market. The state of the Bank's balance made it apparent that the Bank is not now in a position to meet any heavy demands from the Government, which, owing to the great daily expenditure on the Frontier, and other causes, might have to be made at any time.

There was no wish expressed on the part of any member of the Government to press the Bank unnecessarily; on the contrary, it was urged that means should be taken to increase the balance in the Government Treasury by gathering up our resources from the Mofussil Treasuries; but at the same time a very strong and unanimous opinion was entertained that the Bank should do its utmost to curtail its banking business, and to gather up its resources so as to be better able to meet any large calls the Government might have to make upon it.

I shall be obliged by your submitting this note to my colleagues, who will, I am certain, have great pleasure in conforming as much as possible to the wishes of Government.

Believe me, &c.
*E. H. Lushington.*

*P.S.*—I may add that I did explain, on behalf of the Directors, that the Bank was curtailing its business considerably; but it seemed to the Council that as much was not done in this respect as the emergency required.

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## Appendix III.

(No. 6179.)

To the Officiating Secretary and Treasurer, Bank of Bengal:

Financial Department.

Sir,

I am directed to request that you will inform the Directors of the Bank of Bengal that it is necessary that the bulk of the Government balances at Allahabad, Nagpore, Lucknow, and Agra should be held in a form available to meet the exigencies of the public service, and that you will, therefore, move them to instruct their Agents at the Branch Banks at each place to reserve in coin such portion of the Government balances in their respective charge as may exceed four lacs of rupees.

I am also directed to call attention to the very large investments which have been made by the Bank, partly in Government Securities and partly in its general banking business, from balances belonging to the Government, and to suggest to the Directors the absolute necessity of increasing their reserve.

I have, &c.
*E. H. Lushington,*
Secretary to the Government of India.

Council Chamber, 12 December 1863.

Copy to the Deputy Auditors and Accountant's General in the North-Western and Central Provinces.

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Financial Department.—No. 6280.

From *E. H. Lushington*, Esquire, Secretary to the Government of India, Financial Department; to *A. D. Robertson*, Esquire, Officiating Chief Secretary to the Government of Bombay.

Fort William Council Chamber,
17 December 1863.

Sir,

In your letter to me, dated the 20th of November, you stated that, so low had the balance of the Bank of Bombay fallen, that on the 14th of that month it stood only as follows:—

| | |
|---|---|
| Cash | *Rs.* 4,13,753 |
| Notes | 5,77,580 |
| Total | *Rs.* 9,91,333 |

2 According to the statement of the affairs of the Bank published in the "Gazette," the liabilities of the Bank, payable on demand were, on the same date, Rs. 1,56,71,745.

3. The Governor General in Council requests to be informed what explanation the Government Directors give of the affairs of a Bank in the proper management of which the Government is so much concerned, having been allowed to fall into this state.

4. The Bank is at liberty, under its agreement with the Government, to employ the Government Balance in the ordinary business of the Bank to the extent of 40 lacs of rupees, the rest of the Government Balance being reserved in coin. As the 40 lacs of rupees in question were included in the liabilities of the Bank on the 14th of November, whilst the Bank's Reserve, in Cash and Notes amounted only to less than ten lacs, it is obvious that the Bank could not have paid any orders that might have been made upon this portion of the Government Balance to a greater extent than one-fourth of the whole amount.

5. Great efforts are being made to strengthen the Government Balance at Bombay with supplies of coin; but if the affairs of the Bank, which is entrusted with the Government Balances, are conducted in this manner, the amount at which that Balance can be maintained must be considered to be always minus 40 lacs of rupees, or 400,000 *l.*; and, in order to secure the same available sum, the Balance must be permanently increased to a corresponding amount.

6. The Governor General in Council requests to be informed what remedy the Governor in Council proposes to apply to this state of things.

I have, &c.

*E. H. Lushington,*

Secretary to the Government of India.

MINUTE by His Excellency the Governor-General; dated 18 December 1863.

THE state of things represented in this Minute is conclusive as to the impolicy of the present agreement with the Bank of Bengal.

It would seem that in addition to the 70 lacs which the Bank is using for ordinary Banking purposes, and on which it is realising a large profit, it is receiving interest on 860,000 *l.* or 34,000 *l.* and upwards per annum, which it has locked up in Government Securities, which are not available now that a pressure has occurred in the money market, and the Government is in want of the money for the purpose, I assume, of repaying the amount drawn from the Currency Department at Bombay.

With regard to the proposition that the Government should take off the hands of the Bank the 86 lacs of Government paper instead of drawing upon the Bank for the money which this paper represents, I hardly know what to say. The Bank may refuse to accede to this transfer, and profess its willingness to meet our demands, in full confidence that we shall not venture to act so as to damage it materially.

If we do get the paper, with the exception of the saving of interest, we are no better off than at present, for we cannot turn this into money for the purpose of restoring to the Currency Department the money borrowed from it.

Again the Bank may say that it only owes us 79½ lacs, which is in point of fact all that we are entitled to draw for, and some discussion would arise as to whom the difference should belong.

Upon the whole I am rather disposed to allow matters to remain as they are, warning the Bank that we shall have to draw largely soon upon this balance, for the purpose of giving the Directors time to realise by some means or other a sum sufficient to meet our demands.

*W. Denison.*

18 December 1863.

MINUTE by the Honourable *W. Grey*, dated 21 December 1863.

THOUGH I concur generally with Sir Charles Trevelyan in the view which I understand him to take of the agreement now existing between the Government and the Bank of Bengal, I think that in his Minute of the 16th he has borne a little hardly on the bank. I do not believe that at the time the first note of warning was sounded by the Financial Secretary, it would have been possible for the Bank to dispose of its Government Securities except at a heavy loss. The scarcity of money was then beginning to be felt, and if the Bank had attempted to put any quantity of paper on the market, the certain effect would have been at once to bring down the value of public Securities and to precipitate the crisis through which Calcutta is now struggling. I do not, therefore, consider that the Directors of the Bank are open to the charge of neglecting advice given to them by Government to sell their Government Securities while they could still do so at a gain.

In Sir Charles Trevelyan's Minute the following passage occurs:—"It had been arranged that 40 lacs of rupees of bullion from the Bombay Currency Department was to be coined at Madras and sent back to reinforce the Government balance at Bombay, an equal amount being invested at Calcutta as part of the two crores of Government Securities held by the Currency Department, but under present circumstances, although the Government balance at the Bank of Bengal amounts to about three crores, public inconvenience might arise from ordering the payment of these 40 lacs."

Reading this passage by the light of the verbal explanation given by Sir Charles Trevelyan to the Council on Friday, I understand that while the 40 lacs taken from the Bombay Currency Department is to be made immediately, or as soon as possible, available "to reinforce the Government balance at Bombay"—in other words, for the general purposes of Government—the amount will not be replaced in the Currency Department in Calcutta until funds shall become available, which at present they are not. This appears to me to be an arrangement directly opposed to Section X. of the "Paper Currency Act" (XIX. of 1861) and it is a measure which should not, in my opinion, be resorted to, save under the most pressing and urgent necessity. There can be no objection to sending 40 lacs of bullion from the Bombay Currency Department to be coined at Madras, but the amount should remain at the credit of the Currency Department so as to preserve the integrity of that Department inviolate. I do not know how it will be proposed to prepare the Monthly Abstract which the Government is bound to publish under Section XIII. of the Currency Act, if 40 lacs are abstracted from the Currency Department and used to reinforce the Government General Balances, thus leaving 40 lacs of notes for a time unrepresented by either coin or bullion or securities "*appropriated and set apart* for the satisfaction and discharge of the said notes," as prescribed by the law.

Before the Government yields to the conviction that it is necessary to violate the law in this manner, there is at least one alternative which, though by no means free from objection, I would far rather see resorted to, and that is to strengthen the Government Balances, by taking silver from the Currency Department in exchange for the Government Securities, in which the Bank of Bengal has invested so large a portion of the Government Balance. If 40 lacs (or 80 lacs, as Sir Charles Trevelyan mentioned on Friday) are urgently needed to strengthen the Government General Balance at Bombay, *and the money cannot be obtained except by having recourse to the reserve of silver in the Currency Department at Bombay*, then it is clear that the silver removed from the Currency Department at Bombay, if not *immediately* replaced by a corresponding transfer of silver to the Currency Department here, should be represented in some other way; and this may be done by requiring the Bank of Bengal to transfer to Government the Securities (or so much of them as may be necessary) which it now holds on account of Government, the Securities being made over to the Currency Department as part of the security held for the satisfaction and discharge of the notes in circulation.

I press this point the more earnestly because, although an expectation is implied by Sir Charles Trevelyan that it will be possible to transfer 40 lacs of silver from the general balance here by the time the coinage of the 40 lacs of bullion at Madras is completed, I find that in the very first instance which has occurred of a transaction of this kind, viz. the transfer of 35 lacs of rupees from the Madras

Currency Department to the Government General Balance at Bombay, which took effect now some little time ago, the equivalent transfer payment which it was intended to make to the Commissioner of Currency here *has not yet been completed, but that the money is still only in course of repayment.*

I believe it to be quite impossible to say when the Government will be in a position here to make over 40 lakhs, much less 80, from its General Balance to the Currency Department. And it seems to me of extreme importance that the Government should not lay itself open to the charge of using the silver belonging to the Currency Department, be it for ever so short a time, without representing it in the Currency Department by an equivalent amount in Government Securities. This being done, there is at least no violation of the law, so long as the maximum allowed by the Act to be issued against Government Securities is not exceeded.

Sir Charles Trevelyan has himself proposed to take over the Securities in question on the general account of Government, but I submit that under the circumstances it is clearly preferable to take them on account of the Currency Department.

When silver does become available, so as to enable the Government to transfer from the Government Balance here to the Commissioner of Currency a sum of 40 (or 80) lakhs to be credited to Bombay, in satisfaction of the amount taken from the Currency Department there, then the Government Securities can, if it is thought desirable, be transferred to the General Account of Government.

*W. Grey.*

21 December 1863.

Financial.—No. 133.

India Office,
London, 31 December 1863.

Sir,

In a Despatch to the Government of India in the Legislative Department, dated the 24th December 1863, No. 57, I have abstained from interference with the assent which has been given by his Excellency the Governor General to the Bill for the reincorporation and reconstitution of the Bank of Bombay.

* *See* page 74.

2. In Clause XXXII. of the Bill* in question, I observe that power is given to "the said Bank, if authorised so to do by the Governor in Council of Bombay, to draw Bills of Exchange and grant Letters of Credit payable out of India."

3. With reference, however, to paragraph 19 of my Financial Despatch to the Government of India, dated the 10th June last, No. 103 (a copy of which was forwarded to you), stating that Her Majesty's Government could not give up "the condition on which alone any Bank could be entrusted with the Government business; and that is, that it should be debarred from dealing at all in Foreign Exchanges," I desire that the permissive authority referred to in the Act may not be granted to the Bank by your Government.

I have, &c.
*C. Wood.*

His Excellency the Honourable
the Governor in Council,
Bombay.

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Financial.—No. 1.

To His Excellency the Right Honourable the Governor General of India in Council.

India Office,
London, 4 January 1864.

Sir,

Para. 1. I have received and considered in Council your Financial Letter, dated the 7th September last, No. 112, containing an account of your proceedings with the Bank of Bengal, and enclosing a copy of your letter to the Bank, and of their reply.

2. The Bank refer to the present arrangement as having been adopted after mature consideration, and as having been acquiesced in for upwards of two years by the Home Government.

3. It

3. It cannot, apparently, have been brought to the notice of the Directors of the Bank that, throughout the correspondence, decided objections have been expressed by the Home Government to the position assigned to the Bank, in connection with the Government Paper Currency, under the agreement entered into by you, as well as to your arrangements on the transfer of the Government Treasury business to the Bank.

4. The course pursued by your Government may, however, have possibly misled the Directors of the Bank in this matter.

5. The agreement was entered into by you in September 1861, but it was not until the receipt of your letter of the 10th February 1862, that I became aware of the terms of an arrangement which had been concluded six months before.

6. I answered that letter in my Financial Despatch of the 8th April following, and it is true that in that despatch, adverting to the fact that there might be "great inconvenience, and perhaps loss, caused to individuals, if I were to disallow the agreement" which you had made, I stated that, as it was only to last for five years, I would not "disturb the arrangement entered into with the Bank *so far as it has gone;*" but I stated then that Her Majesty's Government entertained the most grave objections to many parts of the scheme, and I desired that no balances of district treasuries might be transferred to branches of the Bank of Bengal without previous reference to me.

7. I repeated, in my Despatch of the 16th September 1862, that Her Majesty's Government objected strongly to many of the arrangements, and I can hardly understand that the Directors of the Bank should have been altogether in ignorance of my views.

8. The objections expressed by me were of no light or unimportant nature.

9. Beyond my opinion as to the excessive amount of the payment to the Bank, in compensation for the loss of its issue, and for transacting the Treasury business, I objected to the investment of the Treasury balances beyond 700,000*l.* in Government securities, and to the power of the Bank to deal in foreign exchanges, and I stated that the Head Commissioner of Issue should have an office distinct from the Bank, where Notes could be obtained for bullion and coin.

10. Your letter of the 2nd January 1863, No. 1, contained explanations on several points which had previously been obscure; but the arrangement, as then more fully explained by you, still appeared to be so disadvantageous to the public interests, that, in my Financial Despatch dated the 10th June 1863, No. 103, I requested you to endeavour to make an arrangement with the Bank for cancelling the agreement.

11. In that Despatch, I expressly desired that you would, at the earliest practicable period, take measures for carrying out the instructions contained in my Despatch of the 16th September 1862, in regard to the issue of Notes in Calcutta from the office of the Commissioner at the Mint, and for the establishment of offices in Bengal and the Upper Provinces for the issue and exchange of Notes; and that in your proceedings you would keep in mind the principle that the Bank was to have no part in the management of the currency. I adverted to the obstacle which the agreement with the Bank, for the management of the issue and circulation of Notes, might present to carrying my instructions into effect, and stated that I should be ready to view favourably any proposal which you might make with the view of inducing the Bank to terminate the agreement.

12. I then expressed my approval of your confiding to the Bank of Bengal and its branches the management of the Treasury business, and I anticipated that you might be able to extend such advantages to the Bank, in regard to that business, as would fairly compensate for the withdrawal of the ¾ per cent. on the Currency business.

13. In accordance with the views thus conveyed to you, certain proposals were made by you to the Bank, in the expectation of obtaining their consent to cancel the existing, and substitute a better, arrangement. The terms proposed by you were not accepted by the Bank, who made counter-propositions, with reference

to which it is only necessary for me to observe that you very properly declined to accede to them.

14. It is, therefore, essential to consider what the present position of the Bank is, under the agreement made by you, so far as I have sanctioned it.

It has been deprived of the advantage of its own circulation of Notes, which privilege, however, the Government might, at any time, have put an end to, by giving a year's notice.

It has been employed in the circulation of the Government Notes, and receives ¾ per cent. on the notes issued to it, which on the present amount of 2,500,000*l.* is equal to 18,750 *l.* per annum.

It has been made the Government Banker.

It receives directly from the Government an annual payment of 43,606 rupees, in full of the costs and expenses attendant on the maintenance by the Bank of the establishment of clerks and servants necessary for carrying on the Government Banking account and business.

It has the uncontrolled use of a sum of 700,000*l.*

It has been allowed to invest 800,000*l.* in Government Securities, which, at 4 per cent., would give 32,000*l.* per annum; and, by the agreement, it is permitted to invest even a larger sum.

It has been relieved from the obligation to keep in cash an amount equal at least to one-fourth of all claims against it, outstanding and payable on demand.

It has been permitted, to a certain extent, to deal in foreign exchanges.

15. I admit that the Bank is entitled, for the remainder of the period of five years, to the benefit of these terms, which may fairly be said to have been included in the arrangement actually made with the Bank, when I announced to you that, however objectionable in principle, I would not disturb it "so far as it had gone."

16. In the same Despatch, however, I distinctly stated that the balances of the Government Treasuries were not to be entrusted to the branches of the Bank, without reference to me; and I further stated that I could not give up the condition on which alone any Bank would be entrusted with Government business, *i.e.*, that it should be debarred from dealing in foreign exchanges. I find, however, that you have transferred the Treasury business and balances to them; and I am consequently compelled, by the course which you have pursued, to acquiesce in arrangements which I entirely disapprove.

17. It is not necessary for me to repeat the objections which Her Majesty's Government entertain to these measures, or the reasons for disapproving them, which have been stated at length in my previous Despatches. I now proceed to point out the course which I desire that you will adopt for the future.

18. I trust that you have acted on the instructions conveyed in my Financial Despatches of the 16th September 1862, and 10th June 1863, and have provided for the issue of Notes from the Mint at Calcutta. I must also desire that you will at once carry out the instructions contained in the same Despatches for establishing Circles of Issue.

19. The whole machinery of Issue must be rendered complete in the hands of the Government without delay; and this is evidently desirable, whether a new arrangement with the Bank be made or not.

20. If no alteration be made in the agreement with the Bank, it is obviously important to give every facility to other persons, whether bankers or not, to take out Notes, as Government will save ¾ per cent. on all Notes so taken. The Bank of Bengal is not constituted, either directly or through its branches, agent in respect of the circulation of Notes beyond the Calcutta Circle; and, for all Notes issued beyond the limits of that circle, it cannot claim any percentage.

21. I have also to desire that the Government balances may not be placed at Calcutta, or in the branch banks, to an amount exceeding what it is necessary to keep there for payments, as I cannot consent to the locking up of these balances in Government Securities, beyond what is required by the strictest interpretation of the agreement.

22. Of course, no further concession must be made to the Bank; and, at the end of the five years; *i.e.*, in September 1866, or at any rate in March 1867, the Bank will have received most liberal compensation for the loss of its issues, and the

the Government will have fulfilled all for which it has engaged, and will be at perfect liberty to make any arrangement more beneficial to the public interests.

23. I consider, however, that it would be desirable, as stated in my Financial Despatch of the 10th of June last, to effect at once, if possible, a new arrangement with the Bank.

24. I have seen no reason to change any of the opinions which I have expressed to you on the propriety of entrusting to the agency of the Government alone the management of the paper issues in India, of the advantage of extending Banking facilities throughout that country, or of the assistance in the circulation of Notes which the banks will give in the exercise of their purely Banking functions.

25. Indeed the latter opinion has received remarkable confirmation from the statement of the Bank itself, that, if deprived of the circulation, "in the interest of the public it will be necessary for them to continue to afford the same facilities for the cashing and issue of Notes, and to maintain in its integrity the present expensive establishment entertained for this purpose."

26. This assertion may not be strictly correct; but, at any rate, it completely confirms the view expressed by me in para. 34 of my Financial Despatch of the 16th of September 1862, "that it was through the Banks that paper money would, to a great extent, be brought into circulation, but this would be effected by the Banks not as agents for Government in respect of the currency, but in the exercise of their legitimate Banking functions."

27. It seems to me that the terms which you offered to the Bank, and which went beyond what I had contemplated, were sufficiently liberal; but I fully admit that they are entitled to compensation for anything they may give up, during the remainder of the period of the five years; and I am quite disposed to consider fairly any claim which they may have; but the terms which they asked were most objectionable, on grounds of general principle, and you were quite right to refuse them.

28. In order, however, to facilitate your further communication with the Bank, I will proceed to state the terms which I should be prepared to sanction for a new arrangement, subject, of course, to such alterations and modifications in detail as you may think advisable, and are not inconsistent with the terms of this Despatch:—

I. The circulation and management of issues to be at once and completely removed from the Bank.

II. The sum of 18,750 *l.* per annum (equal to $\frac{3}{4}$ per cent. on 2,500,000 *l.* to be paid to the Bank to March 1867.

III. The Bank to act as bankers to the Government, on an understanding that a minimum balance shall be kept of 70,00,000 rupees, which is to be shown in the Bank accounts as Government Balance, and which may be withdrawn by the Government in case of its being actually required for the payment of demands upon it, without any payment to the Bank in consequence of withdrawal. The Bank to use all the Government balance, so far as the Directors may deem prudent, except such portion of it as may be appropriated expressly for payment of dividends or for any other defined purpose. The Bank to have, nevertheless, the temporary use of such portion of balances also, if not immediately required, subject to the sanction of the Government Directors.

IV. The Bank to act in the same capacity in the large towns, where banks may be established with the sanction of Government.

V. The Bank to give up dealing in foreign exchanges.

VI. The present payment of 43,606 rupees per annum for establishment to be continued.

VII. The Bank to undertake the management of the public debt, including the payment of interest, and to be paid a fixed sum per million for so doing.

VIII. An arrangement on these terms may be entered into with the Bank for a further period of five years, that is, for ten years from the date of the original

original agreement; but, before any arrangement is finally concluded, I request that it may be submitted for my approval.

29. Under such an arrangement, the Bank of Bengal would be placed in the same position as the Bank of England in all its banking functions.

30. It is obvious that it is not expedient for the Government to keep cash balances in excess of the amount required for probable expenditure. Any sums beyond that amount, if accruing from surplus revenue, which is the only permanent source of increased cash balances, should be applied for the purposes of Government as it may direct.

31. Her Majesty's Government consider that, by such an arrangement as I have indicated in the foregoing observations, the Bank would be very liberally compensated for the withdrawal of its note circulation, and would be adequately remunerated for the service to be rendered by it as banker to the Government; while the management of the Paper Currency, and the relation of the Bank to the Government in regard to the cash balances, would be freed from those grave objections which render the existing arrangement detrimental to the public interests.

32. I trust that you will be able to effect an arrangement, on such terms as I have thus indicated, with the Bank of Bengal.

33. With regard to the Banks of Madras and Bombay you have not, I believe, gone so far in the concessions which have been made to them as with the Bank of Bengal, and you will probably have less difficulty in making an arrangement with them on terms such as I have indicated in this Despatch, but adapted to the circumstances of those Banks; and I should desire that arrangements with them should be made, if it can be accomplished, irrespective of what may be done as regards the Bank of Bengal.

I have, &c.

*Charles Wood.*

Financial.—No. 11.

To His Excellency the Right Honourable the Governor General of India in Council.

India Office,
Sir, London, 26 January 1864.

PARA. 1. I have received and considered in Council your Financial Letter of the 18th December last, No. 160, and I have to inform you that I shall discontinue for the remainder of the current year drawing upon India the additional 200,000 *l.* per month, thus reducing the drafts upon you to 700,000 *l.* per month to the end of April.

2. It is not quite clear, from this letter and the official papers transmitted with it, what the precise course is which you are taking in order to strengthen the Government Balances at Bombay; but enough appears to render it necessary for me to remind you that there should at all times be in the Currency Department, under all circumstances, such an amount of Coin, Bullion, and Government Securities as, taken together, are equal to the Notes in circulation.

3. This is a vital point in the management of a Paper Circulation by Government.

I have, &c.

*C. Wood.*

Financial.—No. 29.

To His Excellency the Right Honourable the Governor General of India in Council.

India Office,
Sir, London, 16 February 1864.

I have considered in Council your Financial Letter, dated the 16th November 1863, No. 139, and, under the circumstances reported therein, I approve of your having invested 35,00,000 rupees of the Currency Balances at Madras in Government Securities, and of your having authorised the remittance of that sum in aid of the General Treasury at Bombay. Those objects were effected by the transfer of 35,00,000 rupees by the Head Commissioner of Currency at Madras to the General Account of the Government of that Presidency for remittance to Bombay, an equal amount being paid by your Government to the Currency Department at Calcutta in lieu of the Securities placed to the credit of the Madras Circle.

I have, &c.
*C. Wood.*

Financial.—No. 30.

To His Excellency the Right Honourable the Governor General of India in Council.

India Office,
Sir, London, 16 February 1864.

PARA. 1. I have considered in Council your Financial Letter, dated the 4th December 1863, No. 146, which forwarded correspondence relative to the excessive demands at Bombay for coined rupees, and the inconvenience experienced in consequence.

2. It appears that, in order to meet the demand for coin, the Government of Bombay authorised the transfer of the sums of 20 lacs and 60 lacs respectively, in rupees, from the Currency Department to the Mint, an equivalent value in bullion being made over from the Mint to the Currency Department.

3. In reference to that proceeding you observed, that the using the "deposits of coin upon which the Paper Circulation is based as an available fund for supplying the Government Treasury with coin, is entirely inconsistent with the principles upon which the Government Note Circulation ought to be conducted."

4. There can be no doubt of the soundness of the principle laid down in this paragraph, but it does not appear to me that the course adopted by the Bombay Government, in exchanging the coin in the Currency Department for bullion to the extent of 80 lacs, was in contravention of this principle.

5. You could not mean to lay down that the coin in the Currency Department ought to be equal to the amount of notes in circulation. At Calcutta, before the transfer of 35 lacs of securities to the Madras Currency Department, I understand you to have had about 45 lacs of coin and 200 lacs of securities against 245 lacs of notes issued: at Bombay they had 160 lacs of coin and 35 lacs of bullion against 195 lacs of notes; and after the operation of the Bombay Government to which you object, they had 80 lacs of coin and 115 lacs of bullion against 195 lacs of notes. The statement of the Deputy Auditor and Accountant General at Bombay, in his letter to the Secretary to Government of 16th November, gives 78 lacs of coin and 117 lacs of bullion.

6. Comparing, therefore, the state of things at Calcutta with that at Bombay, there was, after the receipt of the 80 lacs of bullion, a larger amount of coin in the Currency Department at Bombay than there was at Calcutta by about 35 lacs, to meet a less amount of notes issued.

7. It is provided in the Currency Act that notes may be issued on bullion, and the only point to be carefully attended to is, that there should be a sufficient

quantity of coin in the Currency Department to meet any demand for exchanging notes for coin.

8. There seems to have been at the time an influx of coin into the Currency Department to be exchanged for notes, and, as I gather from further documents, 20 lacs of coin must have been taken to that Department to be exchanged for notes, raising the issues to 215 lacs and the coin therein to 100 lacs. No apprehension, therefore, need have been entertained of a serious demand for coin; and, in such an emergency as then existed, the Bombay Government adopted the readiest and, as it seems to me, a perfectly safe mode of meeting the pressure upon them.

9. I cannot, therefore, see that there was any reason for objecting to the course adopted by the Government of Bombay, and, indeed, I think that they might, with perfect safety, have exchanged a larger amount of the coin in the Currency Department for bullion.

10. You appear to have taken the best measures in your power for aiding the operations of the Bombay Government and Mint by assistance both from Madras and Calcutta.

11. In the letter from the Chief Secretary to the Government of Bombay to your Financial Secretary, dated the 20th November 1863, it was stated that the engines, rolling-mill, adjusting-mill, and cutting-out room of the Bombay New Mint would be in operation at the beginning of January 1864. I hope, therefore, that the Mint will from that date have been in a condition to coin much more rapidly.

12. It is most desirable that not only at Bombay, but also at the Mints of Madras and Calcutta, the utmost exertions should be used to meet, as promptly as possible, the general demand for coin in India.

I have, &c.
*C. Wood.*

EXTRACT.

Financial.—No. 19.

To His Excellency the Honourable the Governor in Council, Bombay.

India Office,
Sir, London, 24 February 1864.

2. I HAVE had before me your Financial Letter, dated the 28th November last, No. 33, transmitting copies of correspondence relative to the state of the Money Market at Bombay, and reporting the measures taken by you to afford relief to the public.

4. I trust that the measures adopted by you, with a view to relieve the pressure in the Bombay Money Market, have been effectual; but it appears to me that it is doubtful whether, by directing at an earlier period that the Mint should again work beyond the usual hours, some portion of the inconvenience that has been experienced might not have been avoided.

I have, &c.
*C. Wood.*

Financial Department.—No. 10 of 1864.

To the Right Hon. Sir *Charles Wood*, Bart., M. P., Secretary of State for India.

Sir, Fort William, 19 January 1864.

We have the honour to transmit, for your information, a copy of a minute by Sir Charles Trevelyan, dated the 22d ultimo, describing the manner in which the aggregate investment of two crores of rupees in Government Securities on account of the Currency deposits has been apportioned between the respective Circles of Calcutta, Madras, and Bombay, together with minutes which have been recorded on the subject by the other Members of Council.

2. The 35 lacs of rupees withdrawn for investment from the Currency Department at Madras, were repaid to the Head Commissioner of Currency here, and an equal amount in Government securities was credited by him to Madras as part of the aggregate Currency investment of two crores.

3 Of the 80 lacs of Bullion withdrawn from the Currency Department at Bombay, 40 lacs were sent to Madras to be coined, and an equal amount will be transferred to the Head Commissioner of Currency to be credited to Bombay as part of the same aggregate investment, as soon as information shall be received that the operation has been completed.

4. It was intended that the remaining 40 lacs of Bullion withdrawn from Bombay should be sent to Calcutta to be coined, but it was afterwards ascertained that the whole of the Bullion belonging to the Currency Department at Bombay was being coined at the Mint at that place; and authority was, therefore, given for the transfer of 40 lacs of Coin from the Currency Department to the Government account at Bombay, and an equal sum was paid from the Government Balance at the Bank of Bengal to the Head Commissioner of Currency to be invested to the credit of the Currency Department at Bombay as part of the aggregate Currency investment of two crores.

We have, &c.
*John Lawrence.*
*R. Napier.*
*H. B. Harington.*
*H. S. Maine.*
*C. E. Trevelyan.*
*W. Grey.*

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## Enclosures to No. 10 of 1864.

MINUTE by the Honourable Sir *C. E. Trevelyan*, K.C.B., Member of the Council of the Governor-General, dated 22 December 1863.

It will be well that I should give a connected view of the arrangements relating to the Currency Department which have been partially described in several recent documents.

The notes in circulation have, for some time past, amounted to upwards of five crores of rupees, which were covered by an equal amount of coin and bullion.

Of this amount our investments were extended, at my recommendation, from 75 lacs to two crores of rupees. I was of opinion that more than two crores could not be safely invested, and this opinion has been confirmed by passing events.

As Calcutta is the only considerable market for the purchase of Government Securities, the whole of the two crores have been bought here, and the last 50 lacs are now in course of delivery.

But, as each Currency Circle stands on its own independent basis, it was never intended that the whole two crores should be charged against the Bengal Circle.

There were 75 lacs of Notes in circulation at Madras, and 75 lacs of rupees in deposit. I took 35 lacs of these rupees, and sent them to Bombay (where coined money was much wanted), to reinforce the Government Balance there, and repaid the amount to the Head Commissioner of Currency here, to be credited to Madras as part of the existing Currency Investment of two crores.

At Bombay there were two crores and 15 lacs of rupees of Notes in circulation, and an equal sum in rupees and Bullion in deposit. Of this I withdrew 80 lacs of Bullion, and sent half of it to Madras, and half to Calcutta to be coined, and to be sent back in coin to reinforce the Government Balance at Bombay,—equal sums being transferred, as they become due, from the Government Balance here to the Head Commissioner of Currency, to be credited to Bombay as part of the aggregate Currency Investment of two crores.

The result of these operations will be as follows:—

| | Circulation. | Specie Deposits. | Investments. |
|---|---|---|---|
| Madras | 75,00,000 | 40,00,000 | 35,00,000 |
| Bombay | 2,15,00,000 | 1,35,00,000 | 80,00,000 |
| Calcutta | 2,36,00,000 | 1,51,00,000 | 85,00,000 |
| TOTAL | 5,26,00,000 | 3,26,00,000 | 2,00,00,000 |

This apportionment of the investment has been made with reference only to ordinary considerations, as that which is best suited to the normal circumstances of the different Currency Circles.

No doubt an incidental advantage has been obtained by putting into circulation 115 lacs of rupees, or 1,150,000 *l.*, at a crisis when coined money is so much wanted to relieve the exhausted money market; but this is only one of the unexpected indirect consequences which almost always follow the establishment of a sound principle.

The Government Note Currency was established merely for the purpose of providing a cheap and convenient Currency; but it has now become apparent that it will also be of much public advantage by absorbing the redundant specie when money is plentiful, and giving it out again when money is scarce. In other words, it will perform for India, from several different centres, the same service which the Bank of England performs for Western Europe. If it does not fully do so, it will be owing to the remarkable confidence with which the Government Notes are regarded. So completely is their identity in value with silver established in people's minds, that, notwithstanding the great scarcity of coin at Bombay, it continues to be sent to the Currency Department to be exchanged for Notes. Between the 30th of November and the 12th of December, the Notes in circulation at Bombay increased by eight lacs, the whole of which were issued in exchange for coin. All that is necessary to secure these advantages is that the specie withdrawn from the deposits for investment should not exceed the lowest amounts to which it is possible that the Note circulation of the several Currency Circles can be contracted.

The 35 lacs of rupees withdrawn from Madras for investment have been repaid to the Head Commissioner of Currency here, and have been added by him to the Reserve of Coin belonging to the Bengal Circle, an equal amount in Securities having been credited by him to Madras as part of the aggregate Currency Investment of two crores.

The 40 lacs of Bullion sent from Bombay to Madras, and the similar amount ordered to be sent to Calcutta, will have to be repaid to the Head Commissioner of Currency here as soon as they have been coined. Till then, the obligation does not accrue, for we might, if circumstances required it, send the rupees back to be deposited in the Currency Department at Bombay. Indeed, till the Bullion has been coined, it should properly be kept to the credit of the Currency Department. All the Bullion in the Currency Department must be coined, because, in its original form, it is not available for cashing the Notes.

I observed in my minute, dated the 16th instant, that although the Government Balance at the Bank of Bengal amounts to about three crores of rupees, so large a portion of this amount has been invested by the Directors, that an order for the payment of the first 40 lacs might, under present circumstances, give rise to public inconvenience.

The case anticipated in the 21st and 22d paragraphs* of the Despatch from the Secretary of State, dated the 8th of April 1862, might now occur, with this difference, that the investments have been made partly in Government Securities, and partly in Mercantile Discounts, instead of their being made only in Government Securities. The Secretary of State appeared to contemplate a loan from the Government account to the Currency Department; but the transaction now in question is merely the re-transfer, at Calcutta, from the large Government Balance here, of a sum which had been previously transferred from the Currency Department to the Government Account at Bombay. But we may hope that the Directors will take warning and will provide available funds to meet the drafts made by the Government upon its own balance.

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* 21. Under the terms of your agreement, the whole amount of Government Balances beyond 700,000 *l.* may be invested in Government Securities. I must call your attention to the change which is thus effected in the expectation held out as to the security afforded by the balance for the convertibility of Notes. In my Financial Despatch, dated the 26th March 1860, No. 47, I directed that "beyond the reserves of coin and bullion in the hands of the Currency Commissioners, it should be provided that the cash balances in the Indian Treasuries should be available to meet any unforeseen demand for the payment of Notes;" and the Select Committee on the Currency Bill, in their report of the 16th February 1861, stated in reference thereto, that to insure the convertibility of the Notes, under all circumstances, the general credit of the Government, and cash balances would, by words which they had introduced into the Bill, be distinctly responsible.

22. If the whole of the Treasury Balance beyond 700,000 *l.* is, under the arrangement which you have made, invested in Government Securities, there will no longer exist a cash balance available to meet a sudden demand for Notes.

MINUTE by the Hon. *H. B. Harington*, dated 8 January 1864.

SIR CHARLES TREVELYAN, in his Minute, gives a connected view of the arrangements relating to the Currency Department, which he observes have been partially described in several recent documents. The dates of the documents referred to not being given, I do not know to what particular documents allusion is made.

A perusal of Sir Charles Trevelyan's Minute has led me to look into the Currency Act* with a view to satisfy myself as to the state of the law relating to this most important department, and the result has been to raise great doubts in my mind as to whether the law is being strictly carried out, or according to what was intended. I need scarcely say that there is probably no law which calls for a more rigid enforcement than one relating to a Paper Currency, particularly in a country like India.

* 19 of 1861.

I at once admit that the relation in which the Currency Department, as constituted under the Act of 1861, stands to the Government of India, is very different from the relation in which the Department would have stood to that Government, had the scheme for a Paper Currency proposed by the late Mr. Wilson been adopted in its entireness.

Mr. Wilson's scheme contemplated what has been called "a self-acting machinery," which should be quite independent of the Government, and the Bill introduced by him contained most carefully prepared provisions for constituting such machinery or agency.

But, although, in consequence of the great modifications which Mr. Wilson's scheme underwent, it was not deemed necessary to enact in the law, as it eventually passed, provisions of the same character as were at first proposed, or to render the Currency Department absolutely independent of the Government, I have been unable, after a careful study of Act 19 of 1861, to bring myself to think that the Act could have intended that the Currency reserves of Bullion and Coin should be moved about from one Presidency to another, and otherwise dealt with in the manner described in Sir Charles Trevelyan's Minute.

An amount of Coin, Bullion, and Government Securities, equal to the amount of the Notes in circulation, may have continued regularly to appear, and may still appear in the accounts at the credit of the Currency Department generally, or as distributed between the three Circles which now exist in the proportion of the Notes issued by those Circles respectively, and thus the letter of the law may be held to have been complied with; but I believe I am right in saying that there was an interval of several days between the date on which the sum of 35 lacs of rupees was taken from the 70 lacs of Coin held in reserve in the Currency Department at Madras, and sent to Bombay to reinforce the Government Balance there, and the date of the payment of a corresponding sum to the Head Commissioner of Currency at Calcutta, to meet the same amount of Government Securities transferred, or proposed to be transferred to Madras in account; and that during this interval 35 lacs of Notes remained uncovered, or unrepresented by Bullion or Coin or Government Securities either in the Calcutta or in the Madras Circle.

Mr. Grey in his Minute, dated the 21st ultimo, remarks, "I understand that while the 40 lacs taken from the Bombay Currency Department is to be made immediately, or as soon as possible, available to reinforce the Government Balance at Bombay, in other words, for the general purposes of Government, the amount will not be replaced in the Currency Department until funds shall become available, which at present they are not. This appears to me to be an arrangement directly opposed to section 10 of the Currency Act." Mr. Grey goes on to say, "I do not know how it will be proposed to prepare the monthly abstract which the Government is bound to publish under section 13 of the Currency Act, if 40 lacs are abstracted from the Currency Department and used to reinforce the Government general balances, thus leaving 40 lacs of Notes, for a time, unrepresented by either coin or bullion, or securities, appropriated and set apart for the satisfaction and discharge of the said Notes as prescribed by law."

It appears to me that Mr. Grey's remarks apply equally to the other 40 lacs of Bullion stated to have been withdrawn from the Currency Department at Bombay, for the purpose of being coined elsewhere and sent back to Bombay, not to be replaced as coin in the Currency Department, but to supplement the Government Balances at Bombay, and that the amount of Currency Notes unrepresented for a time by Coin or Bullion or Government Securities, set apart as above, was really not 40 but 80 lacs of rupees. Whether the whole or any portion of this large amount continues in this predicament I am unable to say. I may observe, however, that in the first number of the "Gazette of India," which has just been published, the whole of the 80 lacs of Bullion which in Sir Charles Trevelyan's Minute are stated to have been withdrawn from the Bombay reserve, and transmitted, half to Madras and half to Calcutta, to be coined and sent back to reinforce the Government Balance at Bombay, appear, on the 26th ultimo, or subsequently to the date of Sir Charles Trevelyan's Minute, as still at the credit of the Currency Department at Bombay; at least so I understand the notification in the "Gazette."

It seems to me to have been the intention of the law that the Commissioner of each Circle of Issue should at all times retain in his own possession the whole of the Coin and Bullion received by him in exchange for Notes, minus any sum invested out of such Coin or Bullion in Government Securities; and that the Government Securities so bought, together with the balance of the Coin and Bullion remaining after the purchase of the

Securities, should be held by the Commissioner of the Circle from which the Notes were issued.

The exchange of bullion for coin, an instance of which lately occurred at Bombay, or of coin for bullion, may not violate the spirit of the law, and may be justified by considerations of public convenience, but I cannot conceive that it was intended that any portion of the coin or bullion held in reserve by the Commissioner of any Circle of Issue to pay the Notes issued by him, should be removed absolutely from the possession and control of such Commissioner, and transported across seas, or otherwise dealt with in such a manner that loss by shipwreck, or in some other way, might ensue, or the particular Circle kept for a long period without its proper or prescribed amount of reserve immediately available, should there be a run for the payment of the Notes issued by it.

Section 10, Act 19 of 1861, certainly does not say how the amount of Government Securities allowed to be purchased with the bullion and coin received in exchange for Notes, shall be apportioned amongst the different Circles of Issue; but the next section seems clearly to show that the law intended, not that the whole of the Government Securities should stand in the name of the Head Commissioner at Calcutta, or of any single Commissioner, but that there should be an actual distribution of the amount amongst the several Circles, and that each Circle should hold its own portion of Government Securities, or the amount of the Securities purchased with the coin or bullion received by it in exchange for the Notes which it issues. The words of section 11 are,—the Government Securities purchased in Bengal shall stand in the name of the Head Commissioner and Master of the Mint at Calcutta; the Government Securities purchased in the Presidency of Fort Saint George shall stand in the name of the Commissioner and Master of the Mint at Madras; and the Government Securities purchased in the Presidency of Bombay shall stand in the name of the Commissioner and Master of the Mint at Bombay.

The intention of the law, in accordance with what is stated above, seems to come out even more clearly in section 14, which provides for the sale, by the Head Commissioner and the Commissioners of Madras and Bombay, of the Government Securities standing in their names respectively; empowers those officers to sign and endorse the Government Securities so standing in their respective names; and authorizes them, if directed by the Governor General of India in Council, to purchase Government Securities to replace their sales.

Sir Charles Trevelyan states in his Minute that when the transactions described therein have been completed, the amount of Government Securities purchased on account of the Currency Department at the several Presidencies will be distributed as in the margin.* I believe I am correct in saying that, at the date of Sir Charles Trevelyan's Minute, not a single rupee's worth of the Government Securities held on that date, stood in the name of the Commissioner and Master of the Mint at Madras, or of the Commissioner and Master of the Mint at Bombay, and that the whole of the paper was in Calcutta, and held in the name of the Head Commissioner and Mint Master at that place. Whether, as the Head Commissioner at Calcutta is also Master of the Mint, another or an additional trustee has been appointed, as required in section 11 of Act 19 of 1861, I do not know.

| | |
|---|---|
| Madras | 35,00,000 |
| Bombay | 80,00,000 |
| Calcutta | 85,00,000 |
| | 2,00,00,000 |

From the notification published in the number of the "Gazette of India" already referred to, it appears that on the 26th ultimo no portion of the two crores of rupees of Government Securities held by the Currency Department stood allotted to Bombay, and that the entire reserve of that Presidency, amounting to 2,81,00,000 rupees, consisted of coin or bullion, viz., coin 1,14,00,000 rupees, and silver bullion 1,17,00,000 rupees, though of this latter amount 80 lacs are stated in Sir Charles Trevelyan's Minute to have been withdrawn from Bombay, and to have been sent to Calcutta and Madras, with a view, as already noticed, to its being coined there, and afterwards applied to the general purposes of the Bombay Government.

The notification also shows that on the 29th of last month, there was a reserve in coin in Calcutta of only 52,22,868 rupees, against a Note circulation of 2,18,00,000 rupees, the balance, or 1,65,77,132 rupees, being represented by Government Securities, no considerable portion of which could be sold at the present time without adding greatly to the difficulties under which the public is now labouring in consequence of the state of the money market, or without still further depreciating the value of Government Securities.

I will only add that, although the Currency Department may, in any case of emergency, properly borrow from the Cash Balances of Government, upon the security of which, under the words "the general credit of the Government," which are contained in Section X., Act XIX. of 1861, as well of the Coin, Bullion, and Government Securities reserved or appropriated, and set apart to provide for the satisfaction and discharge of the Government Currency Notes, the whole of those Notes are "to be deemed to have been issued," any use, for however brief a period, of the Coin and Bullion in reserve in the Currency Department, or of the Securities set apart as above, for purposes other than those contemplated in the Act, would, in my opinion, be an infraction of the spirit as well as the letter of the Act.

MINUTE by the Honourable *H. S. Maine*, dated 10 January 1864.

THERE is certainly something in the structure of Act 19 of 1861 which raises a suspicion that the restrictions contemplated by Mr. Harington were in the mind of the draftsman, but I have before had occasion to observe, with reference to other documents connected with the monetary arrangements of 1861, that there was a want of understanding between the author of the policy and the framer of the documents which embodied it. This came out very strongly during the discussion, at the end of 1862, on the Agreement with the Bank of Bengal. Although, therefore, we are bound by the language of the Act, I do not think it safe to rely on inferential conclusions derived from it, unless they are very distinctly indicated.

The literal construction of Section 11 undoubtedly requires that when Securities are purchased in any one Presidency, *e. g.*, in Madras (I am almost inclined to think that "in the Presidency of Fort Saint George" means "in the Madras stock-market,") those Securities must stand as directed in Section 11, and can only be sold and replaced as directed in Section 14.

But the question arises, whether the Currency Department, when making purchases in Calcutta, which is the great market for paper, can purchase Securities, not only up to the proportion permitted by the stock of Coin and Bullion at Calcutta, but up to that permitted by the state of the Coin, Bullion, *and* Securities at Madras and Bombay. If it can, it seems to follow that Coin and Bullion can legally be moved from one Presidency to another, because the Securities are of course held under a constant liability to be converted into money, which must be sent wherever it is wanted.

I am, on the whole, unable to say that such purchases of Government Paper at Calcutta, against Coin or Bullion lying at Bombay or Madras, are illegal under the Act. Section 10 clearly makes the total amount of Silver received for Notes, without reference to the place where it is received, the test of the amount which may be invested. And against the language of Section 10 we have nothing to set, except inferences from the somewhat ambiguous language of Sections 11 and 14.

Another reason for inclining to think that this construction is the proper one, is that the dangers apprehended from the other interpretation will certainly be incurred as soon as new Circles of Issue are established. Where a Circle is established, let us say; in the Punjab, Notes will be current there which will be partially represented by Securities localised at Calcutta, and therefore there must be occasional transmissions of Silver between Calcutta and Lahore. It is difficult to say whether it is more dangerous to send Silver in a steamer round the Peninsula, or by a railway 1,000 miles long. The perils of the sea in one case are matched by the perils of dishonesty in another; I am not aware that as much Bullion was ever lost in a ship at sea as was lost in the gold-dust robbery on the English South Eastern Railway.

If Mr. Grey and Sir R. Napier differ from me, and if Mr. Harington adheres to his opinion (I assume that Sir C. Trevelyan agrees in my view), it will, I think, be as well to submit a case, which had better be a hypothetical one, to the Advocate General. The objections just urged by the Secretary of State against prolonged controversies on paper between the Members of Council seem to me to apply with especial force to controversies on points of law.

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MINUTE by the Honourable *W. Grey*, dated 11 January 1864.

I AM not disposed to question the legality of purchasing Government Securities in Calcutta, on account of the Madras or the Bombay Currency Branch, and I certainly see no practical objection to such a course being followed. Indeed, it can hardly be avoided, I believe. What I have thought open to objection is the somewhat loose fashion (as it seemed to me) of dealing with the money of the Currency Department, by making use of it for the general purposes of Government, *before* the amount so appropriated is represented by Government Securities. With respect to the 35 lacs transaction, for example, it was designed to take 35 lacs of Silver from the Madras Currency Branch to strengthen the Government balances at Bombay, and to pay to the Currency Branch in Calcutta 35 lacs of Silver from the Government balances here, receiving from the Calcutta Currency Branch in exchange, 35 lacs of Government Securities on account of the Madras Currency Branch. To this operation I can see no valid objection. But the 35 lacs was paid to the general account of the Government at the Bank of Madras on the 26th of November, and the amount was not repaid to the Currency Department here until the 23d of December.

Therefore, between the 26th of November and the 23d of December, 35 lacs of Notes were in circulation in the Madras Circle unrepresented by either Coin, or Bullion, or securities. "*appropriated and set apart* to provide for the satisfaction and discharge of the said Notes" (*vide* Section X. of the Currency Act). I thought this illegal, and that it might constitute a dangerous precedent; and as the passage in Sir Charles Trevelyan's Minute of December the 16th, which I quoted in mine of the 21st idem, seemed to indicate that a similar mode of dealing might be adopted with regard to the 40 lacs there spoken

of as being taken from the Bombay Currency Department, I considered it right to call attention to the subject.

Sir Charles Trevelyan's subsequent Minute of December.22 contains an explanation on the point, from which I gather that the Bullion taken from the Bombay Currency Department will, when coined, be paid into the Currency Department here, an equivalent in Government Securities being made over by the Calcutta Currency Department to that of Bombay.

To this there can be no objection; but care must be taken that the 40 lacs which has been sent to Madras to be coined is not "sent back in coin to *reinforce the Government Balance at Bombay*," *until* the state of the Government Balance here does actually admit of payment of the 40 lacs to the Currency Branch here being ordered.

MINUTE by the Honourable Sir *R. Napier*, dated 18 January 1864.

I CONCUR with the view taken by Mr. Grey. As soon as the state of the market admits of it, I trust that measures may be taken to correct the Bank of Bengal's over investment.

RETURN of the Amount of GOVERNMENT PAPER issued in *India*, showing the Total Amount of the NOTES, and the SECURITIES to meet the same, at the following Dates (as published in the "Gazette of India"):—

| | Calcutta, 29 December 1863. | Madras, 26 December 1863. | Bombay, 26 December 1863. | TOTAL |
|---|---|---|---|---|
| | *Rs.* | *Rs.* | *Rs.* | *Rs.* |
| Notes in circulation - - - - | 2,18,00,000 | 62,00,000 | 2,31,00,000 | 5,11,00,000 |
| Silver Coin reserve - - - - | 52,22,868 | 27,00,000 | 1,14,00,000 | 1,93,22,868 |
| Silver Bullion reserve - - - | - - | - - | 1,17,00,000 | 1,17,00,000 |
| Government Securities - - - | 1,65,77,132 | 35,00,000 | - - | 2,00,77,132 |

RETURN showing the CAPITAL of the BANKS of *Bengal*, *Madras*, and *Bombay*, and the Amount of STOCK held by the GOVERNMENT as SHAREHOLDERS in each BANK (from the Charter Acts and Quick Stock Statements).

| | Bengal. | Madras. | Bombay. |
|---|---|---|---|
| | *Rs.* | *Rs.* | *Rs.* |
| Capital of the Bank - - - - - - | 1,07,00,000 | 30,00,000 | 52,25,000 |
| Amount of Stock held by Government - - - | 11,00,000 | 3,00,000 | 3,00,000 |

# EAST INDIA (PAPER CURRENCY, &c.)

COPY of PAPERS and CORRESPONDENCE relating to the Issue of a GOVERNMENT PAPER-CURRENCY in *India*, as proposed by Mr. *Wilson*, and carried out by Mr. *Laing*, and the Transfer of the Business of the Government Treasuries to the Banks of *Bengal*, *Madras*, and *Bombay* (in continuation of Parliamentary Paper, No. 215, of Session 1862; and, RETURN of the Amount of GOVERNMENT PAPER Issued, showing the Total Amount of the NOTES, and the SECURITIES to meet the same; and showing the CAPITAL respectively of the Banks of *Bengal*, *Madras*, and *Bombay*; &c.

(*Mr. Henry Seymour.*)

*Ordered, by* The House of Commons, *to be Printed*,
7 *March* 1864.

[*Price* 1 *s.* 4 *d.*]



*Under* 16 *oz.*

# EAST INDIA (CURRENCY).

RETURN to an Address of the Honourable The House of Commons, dated 10 March 1868;—*for*,

"COPY of the REPORT of the COMMISSION appointed by the Government of *India* to consider the Question of the Currency."

India Office,
12 March 1868.

T. L. SECCOMBE,
Financial Secretary.

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## REPORT of the COMMISSION to inquire into the Operation of Act XIX. of 1861, being an ACT "to provide for a GOVERNMENT PAPER CURRENCY."

RESOLUTION in the Financial Department by the Governor General in Council, dated the 3rd February 1866.

READ again the following correspondence regarding the working of the Paper Currency:—

From the Chamber of Commerce, dated 23rd January 1866.
To the Chamber of Commerce, No. 544, dated 1st February 1866.
From the Chamber of Commerce, dated 3rd February 1866.

The Governor General in Council observes that the memorial of the Chamber of Commerce is in consonance with the views which the Government had under consideration.

The sense of the commercial community as well as of the Government of India has been repeatedly declared in favour of a gold currency, but the Secretary of State has not as yet been satisfied that the attempt would be expedient or practicable. Instead of a gold a paper currency has been introduced, in the expectation that it would prove a more convenient and acceptable circulating medium than either of the precious metals.

After the experience of nearly five years, it is now desirable to enquire whether this expectation has been fulfilled. The enquiry should be, in the first instance, an enquiry into the operation of the Paper Currency Act, and not, as the Chamber of Commerce propose, an inquiry as to the expediency of introducing gold into the monetary system of India. It must be shown that paper has not proved and is not likely to prove a circulating medium adequate to the wants and suitable to the habits of the country before an endeavour is made to introduce gold in supersession of, or in addition to, paper.

The Governor General in Council has accordingly determined to appoint a Commission, consisting partly of official and partly of mercantile gentlemen, to inquire into, take evidence, and report upon the operation of the Paper Currency Act, upon any improved arrangements, including the introduction of

notes of the denomination of five rupees, by which it could be rendered more effective, and upon any extension of the monetary system which the increasing commerce and prosperity of the country may seem to require. The Commission will be constituted as follows :—

*President.*

His Excellency General Sir W. R. Mansfield, K. C. B.

*Members.*

Honourable H. S. Maine.
Honourable W. Grey.
Honourable J. N. Bullen.
Honourable D. Cowie.
Mr. E. H. Lushington.
Mr. G. Dickson, Secretary, Bank of Bengal.
Mr. W. Anderson, Manager, Oriental Bank.
Mr. H. G. Dunlop, Manager, Agra and Masterman's Bank.

*Secretary.*

Mr. Denzil R. Onslow.

Ordered, that this resolution be communicated to the president and members of the Commission, and to the secretary of the Commission, and be published in the " Gazette of India."

(signed) *E. H. Lushington,*
Secretary to the Government of India.

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MEMORANDUM by the Financial Member of Council.

THE Paper Currency Act came into operation in the summer of 1861 ; but, up to this time, the currency notes bear a very small proportion to the estimated amount of the metallic circulation.

The issue of paper has never exceeded 8,000,000 *l.*, and at the date of the last return was under 7,000,000 *l.* This sum includes a large amount of notes which have been used for mercantile remittances, and have never formed part of the circulating medium.

The note circulation is principally confined to the area adjacent to the circles of issue. At a distance from the circles, the note ceases to pass current, and when it is not tendered in payment of a debt, it is usually cashed at a discount in the bazar.

The practical effect, therefore, of the existing provisions of the law is, that the currency note is a convenient substitute for a hoondee or inland bill of exchange, but fails to fulfill its legitimate function as a substitute for, and an auxiliary to, the metallic circulation.

The first named operation, though not one which a paper issue was intended to serve, is incidental to the system, and within moderate limits would hardly call for legislative redress, or even for administrative restraint. It is the congestion of the circulation at a distance from the circle of issue which requires a remedy, and it is to this point that the attention of the Commission will doubtless be principally directed.

The Government have no interest in forcing, nor any desire to force, a paper currency upon the people of India. Paper money, in combination with the precious metals, has long been in use among civilized nations, and has been found eminently conducive to the purposes of commerce, as well as to the ordinary transactions of business. The Government of India having thought fit to provide this accommodation for the people of India, feel bound to take care that it is not impeded by any obstacle which it may be in their power to remove. The Governor General in Council, therefore, in considering the present state of the currency, has deemed it expedient to invite the aid of a Commission composed partly of members of the administration and partly of gentlemen conversant with commercial and monetary affairs.

It seems to be clear that the existing arrangements of the currency circles in the

the mofussil do not afford the requisite facilities for the conversion of the note. A multiplication of the circles sufficiently extensive to meet this difficulty would, however, effectually put a stop to the circulation of the note, as it would be impracticable by any distribution of the coin reserve to make the note of a minor circle payable elsewhere than at the circle from which it was issued, or at the presidency town.

It may be doubted, indeed, whether a system of circles as established in India is fitted to promote a paper circulation; and whether it would not be better to have only one central office of issue and payment at each of the presidency towns. It is possible that arrangements might be made by which (in the absence of banks, which are the most appropriate agencies for such purposes) greater facilities might be afforded, by the aid of some of the local treasuries, for the conversion of a presidency note than is now provided by the circle system.

It is also a point well worthy of consideration whether it might not be expedient to issue a note of a lower denomination than 10 rupees. The original proposal of Mr. Wilson, with which the Secretary of State agreed, was to begin with notes of five rupees.

These seem to be the principal points which, as far as regards the paper currency, will probably engage the attention of the Commission. The regulations of a currency should be few and simple. The main condition of paper money is its convertibility, and this being ascertained, its circulation will be rather retarded than promoted by provisions for its convertibility at numerous stages of its progress. If paper is acceptable to the people as a substitute for coin, it will be adopted; if not, no regulations will force it into circulation.

It is probable, however, that the Commission may desire to pursue their inquiry into the expediency of giving a further development to the experiment which has been partially tried of introducing gold as part of the circulating medium. The proposal to receive the English and Australian sovereign at the rate of 10 rupees in payment of revenue at the Indian treasuries has resulted in the accumulation on the hands of the Government of a certain amount of gold coin for which there is no demand. But the failure of this half measure is no proof that a gold currency is not desired. For a series of years, the introduction, or rather the revival of gold as a circulating medium, has been urged upon the Government by various classes of the community. The increasing demand for Indian produce, the general extension of commerce, and the outlay of capital on works of internal improvement, render it more than ever necessary that further provisions should be made for an expanded circulation. Ample materials will be found in the discussions to which the proposal for the introduction of a gold currency has from time to time given rise for the considerations of this most important branch of the monetary question. Two points, however, may be considered as determined. The one is, that nothing short of the recognition of the sovereign, or some other denomination of gold coin as a legal tender, will suffice; and secondly, that the result of this recognition must be sooner or later the establishment of the more precious metal as the ruling standard.

2 February 1866. *W. N. Massey.*

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## REPORT of the COMMISSION to inquire into the Operation of ACT XIX. of 1861.

THE Commission have understood that the principal object set before them, under the orders of the Government of India, was to obtain information from all available sources regarding the operation of the existing currency arrangements which were established under Act XIX. of 1861.

2. A second matter was incidentally submitted to their consideration, viz., what may be the advantage, as based on expediency, of the introduction of the legal tender of gold into India in addition to that of silver.

3. Accordingly, with respect to these two points, an examination of such witnesses as were available at Calcutta in the spring of 1866, took place during that season. Series of questions were subsequently addressed to the several

governments, administrations, commissions, and collectorates throughout India, as also to the several banking corporations.

4. The result has been the collection of a very large mass of evidence, which is set out in full in the Addenda of this Report. A précis of the several sets of answers thus obtained is annexed.

5. The chief duty of the Commission may, perhaps, therefore, be held to have been performed in submitting to the Government of India the evidence thus collected.

6. This having been done, it seems convenient to show the general results. The questions, as above referred to, are accordingly set out with a brief epitome of the précis of the answers, it being observed that the depositions of the authorities consulted at Calcutta are corroborated in all essential particulars by the information obtained elsewhere.

| *Circular to the Officers in charge of Treasuries.* | *Epitome of Mr. Onslow's Précis.* |
|---|---|
| *Question No.* 1. Are Government currency notes readily received and paid away by the native community at their full value in private monetary transactions? | *Answer No.* 1. A general negative, except in presidency towns and centres of note circulation. |
| *Question No.* 2. If not, what is the reason for their depreciation, and what is the average rate at which they are discounted? | *Answer No.* 2. Want of facilities for convertibility; distrust in the native mind; discount charged in the bazars at various rates by the shroffs when changing the notes for coin; if notes are lost or destroyed by accident, difficulty in obtaining duplicates. Silver and gold are preferred. |
| *Question No.* 3. What facilities are afforded by officers in charge of Government treasuries for the exchange of currency notes for silver, and silver for notes? | *Answer No.* 3. Notes generally given for cash; but the reverse does not take place, except for the convenience of travellers. At some stations, exceptionally as it were, cash is, however, given for notes. The rules issued by the Accountant General are followed. Notes are received in payment of land revenue. The supply of notes is too limited at some stations. It is also said that there are less facilities permitted now than was formerly the case,—*vide* Kistna, Oomrawuttee, Purneah. |
| *Question No.* 4. Are these facilities sufficient; if not, what means can you suggest for increasing them? | *Answer No.* 4. That currency department and presidency banks be authorised to pay silver for notes; that notes of each separate circle should be payable on demand at any treasury within the circle; that present restrictions should be removed, so that notes may be issued and cashed at all British treasuries.<br>Some think that present facilities are sufficient. Officers should be permitted to cash notes to the extent to which their resources may permit. The establishment of offices of sub-issue would facilitate transactions,—*see* Bullooah. Notes should be declared legal tender in Candeish.<br>Restrictions with regard to notes being used for remittances should be removed.<br>Notes of low value should be freely cashed by treasurers. A maximum of notes in store might be fixed; when notes in store reach that maximum encashment to be refused,—*see* Ghazeepore.<br>Notes should be entrusted to tehseeldars for sale.<br>An universal note is advocated,—*see* Lullutpore. Would make Berar a centre of currency,—*see* Oomrawuttee. The Accountant General should cease from interference, and allow treasury officers more latitude,—*see* Purneah. |

| *Circular to the Officers in charge of Treasuries.* | *Epitome of Mr. Onslow's Precis.* |
|---|---|
| *Question No.* 5. Do you consider the present arrangement of circles, with a separate note for each circle, well calculated to promote the reception of a paper currency by the native population, and would you retain it? | *Answer No.* 5. The unanimity and the decision of the answer in the negative to this question is very remarkable. |
| *Question No.* 6. If not, would you propose to increase the number of circles (still retaining the plan of a separate note for each circle), and, if so, to what extent? Or, keeping the present number of main circles, would you establish offices of sub-issue at the chief local treasuries within each circle, where the note should be convertible on demand, as at the head office of issue of the circle? | *Answer No.* 6. Some would retain circles and establish offices of sub-issue, where notes could be cashed. Others think there should be one note convertible at every treasury. Others, that notes of inferior denomination should be convertible at all treasuries, but that notes of a high one should be only cashed in their own circle. Others, that there should be one note for each presidency cashable at all treasuries within the limits of the latter. Abolish the circles.<br>Notes of every circle should be payable on demand at the presidency towns, and at specified treasuries where trade exists. *See* Poona. |
| *Question No.* 7. Or would you prefer the plan of having one universal note for all India, to be convertible only at the presidency towns and at certain specified treasuries? Or is there any other plan you would recommend?<br>*N.B.*—In replying to these last three questions, please to state fully the grounds on which you give a preference to one plan rather than to the others, specially with reference to the important object of establishing a paper currency in the confidence and liking of the Natives. | *Answer No.* 7. Yes; convertible at presidencies and principal treasuries. Others, in favour of universal notes convertible at all treasuries. Others, note for each presidency. Note to be inconvertible, but legal tender: the issue not to exceed one year's revenue of the empire. Great preponderance in favour of one universal note, if readily convertible. |
| *Question No.* 8. Would you propose a note of the value of five rupees, and if so, on what grounds? | *Answer No.* 8. Opinions much divided on this point, though the preponderance is somewhat in favour of a five-rupee note. |
| *Question No.* 9. Are you of opinion that the five-rupee note would have a larger currency than notes of a greater value? | *Answer No.* 9. Opinions evenly divided. |
| *Question No.* 10. Are notes used much by the shroffs and Native bankers for purposes of remittance? | *Answer No.* 10. Yes, at certain places and centres of commerce; but no, at the great majority of stations. The practice clearly depends on the convenience or possible profits of the Native bankers. |
| *Question No.* 11. Is it the practice of the shroffs and Native bankers to exact discount in all cases of cashing notes? | *Answer No.* 11. The answer in the affirmative is almost unanimous. |
| *Question No.* 12. Do the shroffs and Native bankers buy up the notes at a discount for the purpose of sending them to the head quarters of circles for encashment? | *Answer No.* 12. The answer is generally negative; but there are a few exceptions, which are not unimportant, and perhaps have caused the alarms of the Accountant General. |
| *Question No.* 13. Do the shroffs and Native bankers prefer the note to hoondees for purpose of remittance? | *Answer No.* 13. Answers negative, with very few exceptions. |
| *Question No.* 14. If your silver reserve runs very low, owing to a large number of currency notes being presented for cash, what facilities by rail or road have you for reinforcing the reserve, and to what department or treasury would you first apply? | *Answer No.* 14. For answers, see precis; each station having to answer with regard to its own facilities of communication with others. |
| *Question No.* 15. Has your treasury been unable to meet the public demand for paper currency in consequence of your indents for notes not having been complied with? | *Answer No.* 15. Answer generally negative; exceptions very rare. |

| *Circular to the Officers in charge of Treasuries.* | *Epitome of Mr. Onslow's Precis.* |
|---|---|
| *Question No.* 16. If so, what reasons have been assigned for the refusal to comply with your indents? | *Answer No.* 16. In the very rare instances of the answers, cause referable to the Accountant General. |
| *Question No.* 17. What average value does the Government gold mohur bear in the bazars in your neighbourhood? | *Answer No.* 17. At par in many places; above par in many others; below par in a very few. |
| *Question No.* 18. What average value does the English sovereign bear in the bazars in your neighbourhood? | *Answers Nos.* 18 and 19. English sovereign at par at a certain number of places; above par at very many others; below par at a very few. Australian sovereign but little known; but apparently not taken with so much readiness as the English one. |
| *Question No.* 19. What average value does the Australian sovereign bear in the bazars in your neighbourhood? | |
| *Question No.* 20. Do you think that the coins above mentioned generally bear a higher value in mofussil bazars than in the presidency towns? | *Answers Nos.* 20 and 21. Answer generally in the affirmative. |
| *Question No.* 21. If so, what is the cause? | |
| *Question No.* 22. Are the people fond of gold for the purposes of hoarding and circulation? | *Answer No.* 22. Yes, generally for the purpose of hoarding, and merchants for that of circulation, or as an article of commerce. |
| *Question No.* 23. Would the Natives like a gold currency? | *Answer No.* 23. The affirmative answer may be said to be unanimous. |
| *Question No.* 24. Are gold coins of 15, 10, and 5 rupees likely to find more favour in their eyes than notes of like value? | *Answer No.* 24. The affirmative answer may be said to be unanimous. |
| *Question No.* 25. Would a gold currency help the establishment of a paper currency, gold being held as a reserve by traders and others, and the notes passing from hand to hand for circulation when people become accustomed to them? | *Answer No.* 25. Opinions generally affirmative. |
| *Question No.* 26. Would a gold currency assist the outlying treasuries in ensuring the convertibility of the note? | *Answer No.* 26. Opinions very generally affirmative. |
| *Question No.* 27. What is the opinion of large shroffs and dealers on currency? Do they prefer a silver currency alone, or silver and paper, as it at present exists, or silver, gold, and paper? | *Answer No.* 27. General preference of gold, silver, and paper almost unanimous. |
| *Question No.* 28. Does bar gold circulate in your neighbourhood; if so, how is its purity ensured? | *Answer No.* 28. Consult precis. Gold circulates apparently as an article of trade in a good many places, but is not treated as money under the existing laws. |
| *Question No.* 29. Are Native gold mohurs much used by Natives as means of currency in your neighbourhood? | *Answer No.* 29. Almost unanimous negative. |
| *Question No.* 30. State the names of the gold mohurs? | *Answer No.* 30. Refer to the precis. Although not much circulated, it is evident, from the answers to this question, that the practice of keeping gold as a reserve must be almost universal among all classes just raised above poverty. |
| *Question No.* 31. Do they pass for intrinsic value? | *Answers Nos.* 31 and 32. Generally for intrinsic value. |
| *Question No.* 32. Or do they bear an artificial value according to their respective denominations, or as proceeding from certain Native states? | *Note.*—This epitome gives the general conclusions of the answer to queries addressed to the other authorities to whom circulars were sent, as well as to the officers in charge of treasuries. |

7. When it is considered that the answers shown in the epitome are the condensation of the observation and opinions of authorities exercising power, or discharging financial duties over every part of British India, the Commission feel justified in the inference that, in some instances, facts have been solidly established, and that in others of important character the unanimity of opinion, as based on personal observation, is a matter of extraordinary significance with respect to the wants of the country and the manner in which those wants may be met.

8. It thus appears—

I.—That a Government paper currency, established under Act XIX. of 1861, has been in actual existence since 1st of March 1862;

II.—That some of the circles have been but very recently established;

III.—That out of the presidency towns the people have not as yet been educated to the point of using a paper currency;

IV.—And, therefore, that its apparent failure, as generally deposed to, is not a sufficient reason for despairing of its gradual extension.

9. The Commission have not succeeded in obtaining accurate reports regarding the amount of capital, whether in shares or deposits, now held by the several British Banking Companies which are doing business in the presidencies and many mofussil cities in India. The amount of such capital, however, is now very considerable, and, notwithstanding the misfortunes of this year, it has a steady tendency to increase.

10. It is clear that in the great centres of commerce, whether on the seaboard or in the interior, the introduction of a sound and well-regulated system of banking not only familiarizes the people with the use of a paper currency, but largely promotes the distribution and utilization of capital.

11. As the community learn to appreciate the facilities afforded for conducting business by means of banking accounts, instead of locking up or secreting the money which comes into their possession, the economy, both in coin and notes, becomes apparent. It is believed that usages based on acquaintance with the European system of banking have taken a considerable hold of the inhabitants of the presidency towns, and that these usages are gradually, but slowly, spreading throughout the country.

12. The extensive use of cheques, which are adjusted in the accounts of the banks with one another in a great city, such as Calcutta or Bombay, affords a sufficient illustration of what has been adverted to.

13. The foregoing consideration may perhaps further explain how it comes that, with the vast increase of trade and available capital during the last few years, the demand for currency notes in the presidencies has remained in a quasi-stationary condition.

14. It may certainly be said—

I.—That the want of facilities for the encashment of notes, whether in the circles proper, or when the boundary of a circle has been past, is clearly established;

II.—That this want is a great bar to the utility of the currency notes;

III.—That the want causes the notes to be depreciated at varying rates of discount;

IV.—That this causes the notes to be practically viewed as commercial paper;

V.—That the inevitable result in the native mind is not merely a sense of inconvenience, but a mistrust of the notes, based on an idea of substantial loss flowing from the use of them.

15. With such facts before them, the Commission feel considerable hesitation in expressing any further opinion; the matter concerned being one to be practically dealt with by the Financial Department, whose proper function it is

to judge of the feasibility of many of the proposals laid before the Commission. This remark more especially applies to dealing with the cash balances, the feeding of treasuries, and the precautionary measures to be taken before any of the sweeping changes which seem to commend themselves to the great majority of the authorities consulted can with safety be adopted.

16. It may, however, perhaps be said that irrespectively of such sweeping changes, certain administrative improvements might take place which would have a beneficial effect. The aim of the Financial Department in the administration of the Act might be directed less to obtain profit from the paper currency than to devise practical measures for making it, as far as possible, subservient to the requirements and convenience of the public with a view to the introduction of a larger reform.*

17. Thus it might be expedient—

1st. To separate the office of Currency Commissioner of a Presidency from the Mastership of the Mint,—*vide* evidence of Major Hyde, Currency Commissioner and Master of the Mint at Calcutta;

2nd. To enjoin the extension of facilities for the encashment of all notes at all treasuries up to a given small amount, say 200 rupees;

3rd. To permit treasuries a larger discretion where this may be done without much chance of loss;

4th. To establish offices of sub-issue at such places as may be approved of by local Governments and Administrations for the purpose;

5th. To advise Accountants General not to exhibit too great a jealousy of remittances in notes,—*vide* the Memorandum of the Lieutenant Governor of Bengal on this subject.†

18. It is observed that there is a preponderance of opinion in favour of what is called the "Universal Note" if readily convertible.

19. The condition, however, of ready convertibility is the very difficulty with which the Government would have to cope,—

I.—In meeting excessive demands on local treasuries;

II.—In arranging for the supply of tehseels with coin;

III.—In warding off a damaging run for coin on a great centre of issue, of which we have already had experience in Bombay; and

IV.—In submitting to loss in consequence of the notes being largely used for remittance; or, in other words, being made a medium of exchange when a local market might be unfavourable for the purchase of ordinary bills or hoondees.

20. It is obvious that before such a change could be recommended, viz., the introduction of the "Universal Note," a more detailed study of the subject is required than can be given it by the Commission. They would, therefore, content themselves with the remark that the project, though undoubtedly most difficult of execution, should by no means be dismissed summarily, but should receive the attention due to a very widely-spread opinion which rests besides on good authority, that in it alone can be found the means of giving reality to a Government paper currency in India.‡

21. The discussion which might be thus originated in the financial department would naturally comprehend the best available means of agency for circulation as distinguished from the right of issue, including the employment of the banks which has been discarded in accordance with the orders of the Secretary of

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* See a Note from the Commissioner of Cooch Behar, dated 22nd February 1864; also communications from Mr. Probyn, Accountant General of the Punjab, dated 23rd June 1866.

† Many excellent suggestions with regard to the affording of facilities for encashment may be found among the answers of collectors and officers in charge of treasuries.

‡ *Vide* more especially the arguments of Mr. Temple in favour of the measure; also the answers of the collector of North Canara; also the report of the Board of Revenue, North Western Provinces; also the opinions of the Lieutenant Governor, North-Western Provinces, conveyed in a letter from the secretary to Government, North-Western Provinces; also the opinion of Captain Taylor, late superintendent of Coorg; also the opinions of the Commissioner of Mysore; also the opinions of the Commissioner in Sind; also the opinion of the Dewan of Cochin state; also note by Honourable G. N. Taylor.

of State.—*Vide* Secretary of State's Financial Despatches, 26th March 1860, No. 47, and 16th September 1862, No. 158.

22. With respect to the issue of a 5-rupee note, the number of opinions is slightly in favour of it.

23. The preponderance of argument would, however, seem to be against such an issue, in which view the majority of the Commission concurs. Attention is particularly invited to the arguments and opinions of Baboo Ramgopal Ghose on this point.

24. With respect to the introduction of gold, the following points seem to be generally and firmly established :—

1st. That gold coins of various descriptions of mohurs and sovereigns—English and Australian—although not used as money by the State, are generally at par or above par in price whether in the presidency towns or in the cities of the mofussil;

2nd. That they are sought for in the provinces for trading purposes by merchants and bankers, and as a medium of a reserve of wealth by the people at large;

3rd. That where gold is below par in price, it happens either because gold is almost practically unknown in the districts concerned, or because the people are too poor to create a demand for it;

4th. That the demand for gold currency is unanimous throughout the country;

5th. That gold coins of 15, 10, and 5 rupees respectively would find more favour in the eyes of the people than notes of like value;

6th. That the introduction of gold would facilitate the establishment of the currency notes, outlying treasuries being assisted by such a measure towards the convertibility of the notes; and

7th. That the opinion is general, almost unanimous, that the currency should consist of gold, silver, and paper.

25. With such evidence of the general wish of the country before them, the Commission cannot hesitate to express a hope that the Government of India will persevere in the policy which was recommended for the approval of the Secretary of State two years ago,* viz., to cause a legal tender of gold to be a part of the currency arrangements of India, that which is believed to have been erroneous in the original proposal being modified, however, as hereinafter recommended.

26. The Commission would draw attention to the fact that the price of the gold mohur or Government piece of rupees 15, as fixed by Act XVII. of 1835, is as nearly as possible the average market rate of the price of coined gold of the present day.

27. That price, as sanctioned by law in 1835, seems to be the legitimate basis on which to found a gold legal tender coinage for India, consisting of pieces of 10 and 5 rupees respectively—the 10-rupee pieces having the weight of 120 grains, and the 5-rupee piece 60 grains troy.—*Vide* Section 7, Act XVII. of 1835†.

28. The Commission are aware that it is a favourite notion in some quarters to

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* *Vide* Financial Despatch from Government of India, to Secretary of State, July 14, 1864.

† *Section 7, Act XVII. of* 1835.—And be it enacted that the under-mentioned gold coins only shall henceforth be coined at the mints within the territories of the East India Company :—

*First.*—A gold mohur or 15 rupee piece of the weight of 180 grains troy, and of the following standard, viz. :—

$\frac{11}{12}$ or 165 grains of pure gold.
$\frac{1}{12}$ or 15 grains of alloy.

*Second.*—A 5 rupee piece equal to a third of a gold mohur.

*Third.*—A 10 rupee piece equal to two-thirds of a gold mohur.

*Fourth.*—A 30 rupee piece or double gold mohur, and the three last-mentioned coins shall be of the same standard with the gold mohur, and of proportionate weight.

to cause the English sovereign to be issued as the representative of 10 rupees in a legal tender, and this view received the sanction of the Government of India in 1864 at the instance of Sir C. Trevelyan.

29. But according to the evidence submitted generally to the Commission, the conclusion can hardly now be resisted that the tendency in India is rather to raise a gold coin above par.

30. If the Tables of Prices * be consulted for past years, the fact is clearly shown that the real par of the sovereign is somewhat above 10 rupees.

31. If this be admitted, and the evidence is such that no doubt can be entertained with regard to the fact, the Commission may perhaps be excused for believing that the Government of India had not the advantage of exact information when it adopted the views imparted to the Secretary of State in 1864.

32. The Commission would, therefore, venture to suggest that, assuming what is stated with regard to the average value of the sovereign to be correct, that it is apparent that if such a tender, viz., of an English sovereign at 10 rupees, were affirmed by law, it would be to offer the sovereign for sale at a price of from two to three annas less than it can be in general bought for at the ports of importation, or at the average rates in the country at large; that is to say, that with respect to the commodity of gold, with a view to a gold currency, a departure is proposed from the principles on which the supply of a commodity to a country is invariably found to rest.

33. It is, then, clear to all men of business who look to the principles on which alone trade can be carried on, that a trade in gold, with an effectual gold currency, could not exist on such terms.

34. Thus it would be impossible for any mint to buy gold at a less rate than importers can afford to take. And in like manner, having bought gold at given rates, the mint, in other words, the Government, could not afford to issue the new coins at a rate less than their intrinsic value, in which must be included a moderate seignorage.

35. As a matter of course, the same argument applies to the purchase of sovereigns coined in the British or Australian mints, the intrinsic value of which is more than 10 rupees, or so nearly equal to that sum as to leave no margin for fluctuation, or to pay the expense of mintage.

36. The force of this argument is the more apparent when attention is given to the point, that the public debt and all other obligations in India have been contracted in rupees.

37. The practical inferences to be drawn from this statement of facts and reasoning become infinitely stronger when it is recollected that the legal tender of gold will create a new large demand for the commodity; that is to say, by restoring to gold a very considerable part of the functions of money of the State, of which gold is now deprived.

38. It is indeed possible that, under such circumstances, viz., of the restoration to gold of the legal function of money of the realm, the price of it may eventually rise as compared with that of the present day, which received the sanction of the Act of 1835.

39. But it is obvious that the increase of demand cannot occasion a fall in the price of gold, until the country shall have been absolutely flooded with it, the same being accompanied by the partial exclusion of silver from the currency.

40. But when that shall have taken place, it will be for the Legislature of the day to step in and fix the gold coinage on a single standard, by reducing silver to tokens for the payment of small sums, according to the example set by the United States in 1853.†

41. We

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* *Vide* Tables attached to Sir William Mansfield's minute of August 1864, which was received by Government of India subsequently to its despatch to the Secretary of State in support of Sir Charles Trevelyan's proposals.

† *Vide* 5 and 6 chapters of Sir W. Mansfield's minute on the introduction of a gold currency into India, dated 8th March 1864; also his minute of August 1864, in answer to Sir Charles Trevelyan's minute of June 20th 1864.

41. We have, therefore, in the new demand for gold, another powerful reason, as above displayed, for shunning the attempt to give an artificial depreciation to the metal, by forcing the sovereign to run for less than it is actually worth.

42. The attempt is simply to ensure the defeat of a gold currency.

43. The Commission would again once more glance at the practical impossibility of increasing the public debt, and the obligations of all debtors which have been contracted in the rupee.

44. To raise the value of the rupee, however little, by artificially depreciating its gold representative, is simply an act of injustice to all debtors, and a bonus to all creditors, whether of the State or of private parties.

45. As the two tenders, silver and gold, must run *pari passu* for some time to come, such an injustice would rectify itself by the defeat of the gold, and its ejection from the currency—the same resting on the clearest appliation of commercial principles, as above indicated.

46. The Commission would close their Report with the remark, that as the original institution of the paper currency in 1861 was eminently of a tentative character, extreme caution was observed with respect to the limitation of issues, the organisation of circles, and the guardianship of the convertibility of the note.

47. It is, therefore, unreasonable in the extreme to expect large and perfect results from what has hitherto been but an experiment Nevertheless, it is impossible not to observe that the universally unfavourable testimony is in truth founded on the expectation of a perfect and absolute success, which, with regard to the original arrangements and the nature of things, and of native society in general, could not in fairness be looked for.

48. On the other hand, as shown in the body of this Report and the mass of evidence given in the Addenda, the time had fully arrived for the review of the results of the experiment, and the application of such improvements or reforms as may be deemed expedient for the development of the paper currency, which, amidst the demands of advancing commerce, has come to be a necessity for the people of the country.

(signed) *W. R. Mansfield.*
*H. S. Maine.*
*W. Grey.*
*D. Cowie.*
*G. Ross.*
*E. H. Lushington.*
*G. Dickson.*
*W Halford.*

*Denzil R. Onslow,*
Secretary.

Simla, 4 October 1866.

# APPENDIX.

From *H. E. Jacomb*, Esq., Officiating Under-Secretary to the Government of Bombay, Financial Department, to *E. H. Lushington*, Esq., Secretary to the Government of India, Financial Department.—(No. 855, dated Bombay Castle, the 26th August 1864.)

I AM directed by the Honourable the Governor in Council to transmit to you, for the purpose of being laid before the Government of India, the accompanying copy of a letter* addressed to Her Majesty's Principal Secretary of State for India, under date the 23rd instant.

* No. 29.—Forwarding copy of a Minute by his Excellency the Commander in Chief on Sir Charles Trevelyan's proposal to declare sovereigns and half-sovereigns, according to the British and Australian standard, legal tender in India at the rate of one sovereign for 10 rupees (with its Enclosures).

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DESPATCH from the Government of Bombay to the Secretary of State for India.—(No. 29, dated Bombay Castle, the 23rd August 1864.)

No. 7, dated 12th March 1864, and No. 9, dated 28th March 1864.

IN continuation of our Despatches as per margin, we have the honour to forward herewith copy of a Minute, by his Excellency Lieutenant General Sir W. R. Mansfield, K.C.B., on the proposal of Sir Charles Trevelyan to declare sovereigns and half-sovereigns, according to the British and Australian standard, legal tender in India at the rate of one sovereign for 10 rupees.

2. We beg, at the same time, to transmit herewith a copy of a return furnished to us by our mint master of the average price of English sovereigns, &c., in Bombay since 1830.

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REMARKS by His Excellency Lieutenant General Sir *William Mansfield*, K.C.B., on Sir *Charles Trevelyan's* proposal to Value the Sovereign at 10 rupees in the Indian Currency.—(*Vide* Resolution of Government of India, dated 12th July 1864.)

I AM under great obligation to Sir Charles Trevelyan for the very kind manner in which he has been pleased to allude to my Currency Minute, dated 8th March 1864.

2. It is a matter of no ordinary satisfaction that my argument and theoretical conclusions should have been able to arrest his attention.

3. This being so, it is with unfeigned regret that I am obliged to say that I am not convinced by Sir Charles Trevelyan's reasoning of the soundness of the measure by which he proposes to commence the conversion of the silver currency of India to a golden one.

4. The measure to which I allude is the legalising of the value of the sovereign in 10 rupees for tender of payment, while the sovereign is really worth more than that sum.

5. The question of respective values of gold and silver in India, as determined by experience during the last few years of the expansion of trade and increase of gold production, has the most important practical bearing. On the successful appreciation of it may be said to depend the ultimate success of the great reform, the entertainment of which has been sanctioned by the Right Honourable the Secretary of State for India, and by the Viceroy and Governor General in Council.

6. I have ventured to remark once before at some length on the details of this matter,† and it is satisfactory to observe that the calculations and statements of value thus offered at Bombay receive support from those independently prepared at Calcutta.‡

† *Vide* Chapter XI. and Appendices of Minute of March.

7. Thus the Honourable Mr. Claud Brown shows by a calculation of averages that the sovereign has in Calcutta of late years maintained about the same value as it has in Bombay, the cost of the sovereign being now, as he states, with regard to the gold it contains, worth *Rs.* 10. 2. 11., and with the additional 1 per cent. for seignorage, *Rs.* 10. 4. 6.; consequently Mr. Brown observes that, under the arrangement proposed by Sir Charles Trevelyan, sovereigns would be readily and rapidly received into circulation; but the first and most essential condition is, that some one must provide the sovereigns, and that his difficulty is that he does not think it can be done at the price.

‡ *Vide* Appendix No. 9 to Sir Charles Trevelyan's Minute.

8. It may here be said that in the price of gold, as shown by the sovereign, it is well to banish from our minds the distinction between Australian and British sovereigns, except such very trifling difference of value as is, I believe, supposed to exist between the two coins.

9. The price of gold in India, where the metal is used as a commodity of import, is, of course, regulated by the price it bears in the country where it is most cheaply produced, to which must be added all other charges.

10. The

10. The freight and loss by interest being less on gold imported direct from Australia than if the same gold had made the circuit of the world, it follows that gold imported by way of Europe must accommodate itself to the superior cheapness of Australian gold; in other words, that the price of the latter in India rules the price of all other gold from wheresoever it may come.

11. This is actually seen to be the case when sovereigns, whether British or Australian, are considered as a matter of commerce. The exceptional taking up of the former for the use of travellers on their road to England has no practical effect as regards the real price of gold. On the sailing of a steamer, English bank-notes are sought and paid for exceptionally on account of such personal convenience.

12. The price of the sovereign in India, as an article of commerce, having thus depended on the marketable value of gold, it has been seen in the two great marts of Calcutta and Bombay, that that price has on an average of years been slightly more than *Rs.* 10. 4. 0., although the sovereigns are treated in their character of gold without respect to Mint or seignorage charge.

13. Consequently, Sir Charles Trevelyan's price, to which he desires to give a legal sanction for tender of payment, is, at the least, sixpence less than this average value of the sovereign, or about 2½ per cent. as hitherto maintained.

14. The question, therefore, arises, to put Mr. Claud Brown's doubt in another form, who is to bear the loss of the 2½ per cent.?

15. It will be understood that if the Mint can find the gold, the people will be only too happy to exchange their rupees at a rate which will give them sixpence, or four annas, on the changing of every packet of 10 rupees. But is the Government prepared to lose the sixpence; or, in other words, the 2½ per cent.

16. Surely we cannot expect, except in the case of extraordinary dearth of silver, that the people will pay in gold when to do so causes them a loss of 2½ per cent. on their transactions. On the contrary, they will continue to pay in silver so long as gold remains at a premium in the market, as compared with the rate fixed for the optional legal tender.

17. Gold would then be issued at that low rate only at Government treasuries, and the Government, receiving silver in payment of revenue, would then be the sole loser. Government would, therefore, be driven to make all its payments in silver, to prefer silver as the means of redeeming the currency notes, and, therefore, to defeat the measures it is now bent on introducing.

18. Another question also surges up. It may be asked why is 2½ per cent. to be added to the value of the National Debt, as a condition of the conversion of the silver currency?

19. Yet if it be in the power of the Government of India to redeem part of the capital of the debt, and to discharge the interest of it in gold, according to the price sought to be legalised, and if it do so, it is clear all such payments would involve a *pro tanto* addition to the debt, as shown by the artificial depreciation of the gold coins. For it is admitted by Sir Charles Trevelyan that, under any circumstances, his gold will be offered in currency at a less price than it habitually fetches in the market.

20. But it may be further doubted whether the mints would, on the terms of Sir Charles Trevelyan's Minute, obtain any gold with which to carry out the conversion of the currency, except in the remittances of gold made on account of Government. In consequence of their being worth more than the rate fixed for the optional tender by law, sovereigns imported on private account would be sold at the premium they might be able to command in the market. Bar gold being sent to the mints for coinage would be recovered by the owners in the form of sovereigns, to be sold in like manner at a premium. Sovereigns would not be exchanged for currency notes in the Issue Department.

21. The further consequence would be then, that the currency would become complicated instead of being relieved, as we wish it to be. Although dignified as currency legal tender, if anybody chose to tender them at a loss to himself, sovereigns would practically remain an article of trade, while Government, whenever it paid gold as part of the normal currency, would be the sole loser.

22. The result, therefore, would be that silver would remain as it now is, and importation of it for purposes of currency would be continued—one of the things we desire to prevent—while gold, in effect, would not be promoted to perform currency functions as we desire.

23. It is stated that the Australian sovereign can be laid down at Calcutta for *Rs.* 10. 2. 9. The data on which this assertion is based are not, I believe, furnished. It is not shown whether the profits of the importer are included in the figure, or if the mere cost of the gold in Australia, freight and other charges, are comprehended only.

24. Unless the latter is the case, it is difficult to understand how the price of gold remains on an average at a higher rate than that at which it can be profitably imported. In short, we must take the value of gold at what it is shown to be by the average prices of a term of years, and not from an arbitrary assertion made at a particular juncture.

25. I annex a valuable return of the price of sovereigns, British and Australian, during the last five years. This average price is shown to be about *Rs.* 10. 4. 0., or considerably in excess of that for which it is alleged Australian sovereigns may be laid down at present.

26. Sir Charles Trevelyan, however, taking the smaller figure, viz., *Rs.* 10. 2. 9., as his basis, trusts that the Colonial Legislature of Australia may be induced to reduce the price of gold exported from Australia to India by abolishing the export duties.

27. It may be asked if it is not too sanguine to expect such accommodation from popular and distant Governments over which we have no control? Should we ourselves

be justified in legislating with a view to a contingency which must in any case be remote, and which many politicians, who consider how colonial revenues are raised with regard to colonial impatience of taxation, will declare to be so unlikely as to be almost impossible?

28. But it is to be remarked that the new and great demand for gold caused by the organization of an effective gold currency in India will not improbably raise the price of gold throughout all the markets of the world, of course including Australia. On the other hand, we must not forget that the yield of gold in the latter country is largely diminishing, as noted by Sir Charles Trevelyan. It is not impossible that the two things taken together might neutralise the effect of abolishing the Australian export duty, if such a measure were ever to take place.

29. Sir Charles Trevelyan is apparently of opinion that, eventually, the price of gold in India would be somewhat diminished by the regularity of trade consequent on the introduction of a gold currency.

30. But is this likely? Has he not overlooked the effect of the new demand on the regions of supply, when gold shall be substituted in the imports to India, in the place of the many millions of silver now annually brought to her shores from all parts of the world?

31. We have already seen in India how the superior convenience of gold as a vehicle of reserve value has kept up its price in India as reckoned in silver, notwithstanding that it was shut out of the currency. May we not expect a still greater result in the same direction when it is admitted?

32. I am evidently not singular in such views. Thus Mr. Claud Brown, while he does not guarantee that gold may not ultimately be reduced in value so as to enable the sovereign to be supplied at 10 rupees, "sees no valid ground for expecting such a change, especially when due allowance is made for the effect which the adoption of gold as a circulating medium in India must have in checking any tendency that might otherwise have existed to a decline in the value of the metal."

33. Let us now consider the subject in another manner. Sir Charles Trevelyan, when advocating the introduction of the sovereign as an uniform standard of exchange, says that it would come into more extensive use than the Spanish dollar ever did if fair play were given it. Yet he shows that he has misgivings that his proposed measure will retard the conversion of the silver medium to a golden one, the real and immediate object of the proposed reform of the Indian currency.

34. Can it be said that fair play is given to the sovereign as a current coin, when making a law that gold and silver shall be optional legal tenders we declare that the former shall be issued in a coin, the sovereign, charged at a rate which depreciates its value?

35. The object of the change which is now proposed is the eventual conversion without shock or expense of the silver currency to a golden one.

36. It is difficult to understand why, bearing this object in view, we should commence with a measure which, as Sir Charles Trevelyan admits, may retard its attainment. Should we not rather recognise the fact of equality of intrinsic value between the respective coins of the two metals, as the only basis of theory and practice in our progress towards the eventual position of a gold currency and a gold standard, that progress being determined only by the other fact of superior convenience of a golden medium over a silver one?

37. In this case, we shall have simplicity, an intelligible principle, and, it may be said, finality; whereas, in the other, we shall commence with a measure open to the charge of retarding the reform we propose, which, by some critics, will be held to be synonymous with inoperativeness, in other words, failure.

38. By taking the basis of equality as now shown by the averages, we stop speculation with regard to artificial and local differences of value as much as we can. The relative values having been so determined by experience till the present date, will become fixed henceforth in currency at present rates. We have seen examples of a like result in the instances of France and America. As in those countries, the moment will in such case at length arrive for stereotyping the rate by means of the token coinage.

39. If, on the other hand, when we inaugurate our reform, we depart from the basis of equality in favour of silver, we, in fact, delay not only the conversion of the currency as shown above, but we do something more. We forego the advantage of determining the value of gold in currency by the current silver coin for the future as well as for the present.*

40. Without such determination of the value of gold in silver, according to reason as well as an arbitrary regulation, which will be set aside by the premia of the markets, the currency reform cannot become substantive, and we shall land ourselves amidst the uncertainties of the double standard.

41. For in such case, the attempt will be really made to have two measures of value in different metals, whereas we know that trade and exchange will only admit of one measure. By insisting on the nicest equilisation of value between silver and gold in the issue of coins under a joint or optional legal tender, we still adhere to the old rupee measure or silver standard, but we offer the golden equivalent in its place. If we wittingly afford more of gold than is equal to the silver, we do the reverse; and we compel the

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* *Vide* chapter 3 of Minute of March, more particularly the closing pages of that chapter.

the community in every transaction, public or private, to consider whether it is to be performed in silver or in gold.

42. It may be further observed that, by means of the nice equalisation of the legal tenders in point of value, we are perfectly just to the present holders of silver and the holders of securities, whether on public or private contracts. For they will be allowed at their own convenience to pay in silver or gold. This fact would prevent the depreciation of silver from its present value with regard to gold. For if it were to fall, as suggested by Sir Charles Trevelyan, below the par of present value, which on a real present equalisation would be fixed in currency, it would be quickly bought up for the discharge of debts, according to the option afforded by law. Its currency value, and, therefore, its price in the country, would be as rapidly restored.

43. It would appear, after considering all the features of the matter presented to us, that we are encumbering what would be otherwise simple by the attempt to graft on it something else. Thus we desire to have a gold currency for India. The measures to effect such a change are direct and simple. But this is no longer the case, if we take the opportunity to provide what is called an imperial standard of exchange for the dependencies of Great Britain, and then to fix in India a gold coin at an artificial price, that coin having been struck for a system of coinage unknown to India and her coined values.

44. It seems strange to try to force down a strange coin at a price which is not its true equivalent: in short, to bend certain physical facts of value in favour of a notion of decimal convenience and of relation to other portions of the British Empire.

45. The equitable proceeding would appear to be on the contrary, if we choose to impose on India a gold coin which is foreign to her system, that, rather than commit ourselves to an arbitrary measure, we should give the strange coin for its exact value, just as in exchanging gold for silver, we should take care, as far as lies in our power, that in general the equivalent of the former is accurately afforded in substitution of the latter; in other words, that our currency transactions should exactly follow the law of barter, until the absorption or disappearance of the silver may enable us to revert to a single legal tender for large sums by the introduction of the token coinage.

46. With regard to all existing debts and contracts, we are unable to part with the existing silver rupee. It is to us what the franc is to the French, what the dollar is to the American.

47. We should only think of rendering that silver rupee in its golden representative, and we should not for the present trouble ourselves with more. According to the proposal which has received the sanction of the Government of India, we do not confine ourselves to this, but for *ex parte* considerations, we made the effort to confer a greater value on the rupee than it physically possesses.

48. I cannot help thinking that a confusion has arisen, and that the advantages of clinging to the sovereign for India has been overrated, while the difference between its value and that of 10 rupees has been underrated.

49. Had a sovereign been worth 12 rupees, there would have been no thought of legalising it in a value of 10 rupees. But, in truth, when the large operations of trade are involved, it makes but little difference, so far as the object we are considering is concerned, whether the difference be two rupees or two annas. In either case the difference is sufficient to ensure an immense profit or loss to a merchant who operates with millions. This being so, the market premia, owing to want of original Mint equalisation of value, entailing the official depreciation of gold, would, I believe, infallibly drive gold out of the currency. I think, therefore, that if we would succeed in fairly resolving the problem we have before us, we must have a gold coinage for India herself, and let sovereigns run according to their value, which may be determined by law with regard to the regular Indian gold coin.

50. In short the sovereign should be the ally to assist India in participating in the convenience of the imperial standard. But it will not be permitted to usurp the rule in the realm hitherto occupied by the rupee, and to change the value of the latter.

51. We can then hardly resist the conclusion that the golden multiple of the rupee should be calculated and minted with regard to the value of the rupee only, and apart from all other considerations, sovereigns being allowed to run for their relative value.

4 August 1864. *W. R. Mansfield.*

AVERAGE QUOTATIONS for each Year in Bombay of English and Australian Sovereigns and English and Australian Bar Gold.

| YEAR. | English Sovereigns. | Australian Sovereigns. | English Bar Gold, 98 Touch. | Australian Bars. | REMARKS |
|---|---|---|---|---|---|
| | *Rs. a. p.* | *Rs. a. p.* | *Rs. a. p.* | *Rs. a. p.* | |
| 1857 - - - | 10 2 7 each | No quotation - | No quotation - | No quotation. | |
| 1858 - - - | 10 2 2 „ | - - | 15 14 4 per tolah | — | |
| 1859 - - - | 10 5 9 „ | - - | 16 6 5 „ | — | |
| 1860 - - - | 10 5 4 „ | 10 7 2 each | 16 4 2 „ | 15 12 – per tolah (23 carats.) | Australian Sovereigns and Bars from July. |
| 1861 - - - | 10 4 9 „ | 10 3 8 „ | 16 1 7 „ | 15 5 7 „ (23 carats.) | |
| 1862 - - - | 10 5 – „ | 10 3 5 „ | 16 3 1 „ | 15 14 2 „ (23¾ carats.) | |
| 1863 - - - | 10 4 1 „ | 10 6 9 „ | 16 3 1 „ | 16 1 2 „ (23¾ carats.) | |

AVERAGE PRICE of English Sovereigns, &c., since 1830.

| YEAR. | English Sovereigns. *Per each.* | German Crowns. *Per* 100. | Mexican Dollars. *Per* 100. | F. Franc Pieces. *Per* 100. | Remarks. |
|---|---|---|---|---|---|
| | *Rs. a. p.* | *Rs. a. p.* | *Rs. a. p.* | *Rs. a. p.* | |
| 1830 - - - | - - - | 213 - 6 | — | — | |
| 1831 - - - | - - - | 208 3 – | — | — | |
| 1832 - - - | - - - | 215 14 8 | — | — | |
| 1833 - - - | - - - | 211 3 5 | — | — | |
| 1834 - - - | - - - | - - - | - - - | - - - | Not reported. |
| 1835 - - - | 10 14 1 | — | — | — | |
| 1836 - - - | - - - | - - - | - - - | - - - | File lost. |
| 1837 - - - | - - - | - - - | - - - | - - - | ,, |
| 1838 - - - | 10 8 – | 215 – – | 221 4 – | — | |
| 1839 - - - | 10 3 9 | 214 10 – | 221 8 – | — | |
| 1840 - - - | 10 5 6 | 214 – – | — | — | |
| 1841 - - - | 10 11 9 | 214 5 – | — | — | |
| 1842 - - - | 10 15 1 | 215 – 10 | — | — | |
| 1843 - - - | - - - | - - - | - - - | - - - | File lost. |
| 1844 - - - | 10 4 8 | 215 8 9 | 225 12 – | — | |
| 1845 - - - | 11 2 – | 217 14 – | 221 1 7 | — | |
| 1846 - - - | 11 2 6 | 231 – – | 221 2 – | — | |
| 1847 - - - | 11 1 – | 216 1 4 | — | — | |
| 1848 - - - | 11 5 3 | 215 1 2 | — | — | |
| 1849 - - - | 11 2 6 | 212 12 – | 220 14 – | — | |
| 1850 - - - | 10 4 6 | 212 4 – | — | — | |
| 1851 - - - | 10 3 10 | 211 6 6 | 221 1 4 | — | |
| 1852 - - - | 10 4 8 | 211 10 – | 222 – 8 | — | |
| 1853 - - - | 10 2 1 | 215 7 8 | — | — | |
| 1854 - - - | 10 2 8 | 217 7 4 | 231 14 – | — | |
| 1855 - - - | 10 3 7 | 212 9 4 | 222 14 – | — | |
| 1856 - - - | 10 1 2 | 209 2 – | 222 – – | — | |
| 1857 - - - | 10 1 1 | 216 12 8 | — | — | |
| 1858 - - - | 10 2 2 | 213 13 – | 222 – – | — | |
| 1859 - - - | 10 6 2 | 213 15 – | 221 12 4 | 223 1 – | |
| 1860 - - - | 10 6 – | 211 11 4 | 223 12 – | 223 1 4 | |
| 1861 - - - | 10 5 4 | 212 8 – | 225 – – | 221 4 – | |
| 1862 - - - | 10 4 11 | 213 9 4 | 223 2 – | 224 3 4 | |
| 1863 - - - | 10 4 4 | 214 7 – | 225 12 8 | 222 3 4 | |
| 1864 - - - | 10 3 10 | 213 13 1 | 227 11 4 | 215 11 7 | |
| Total - - | 283 4 5 | 6,430 2 11 | 4,020 10 2 | 1,329 8 7 | |
| Average - - | 10 7 10 | 214 5 5 | 223 5 10 | 221 9 5 | |

The agent, Oriental Bank (who are, perhaps, the largest importers of bar silver), states that he always sends it to the Mint, and there can be no doubt that the Mint price is the average one, as most of the silver imported is brought to the Mint, which would not be the case if it fetched a higher price elsewhere. The Mint price being fixed, silver is never sold below it, unless at a trifling reduction on account of interest. The Mint price was raised by 1 per cent. in the year 1833. Australian sovereigns are not quoted. There are quotations for bar gold for about 20 years, but they do not give the touch, and are therefore of no value. *Rs.* 16. 8. is the present price of pure gold per tolah.

*J. A. Ballard*, Lieut. Colonel, Mint Master.

Bombay Mint, July 1864.

# EAST INDIA (CURRENCY).

COPY of the REPORT of the COMMISSION appointed by the Government of *India* to consider the Question of the CURRENCY.

(*Sir Stafford Northcote.*)

*Ordered, by* The House of Commons, *to be Printed,*
16 *March* 1868.



*Under* 2 *oz.*

# PAPERS RELATING TO COINAGE (EAST INDIA).

## — No. 1. —

RETURN for the last Ten Years of the Amount of the PRECIOUS METALS, Coined and Uncoined, imported into *India*, and entered at the Custom House at each of the Three Presidencies.

| YEARS. | BENGAL. | MADRAS. | BOMBAY. | TOTAL, INDIA. |
|---|---|---|---|---|
| | £. | £. | £. | £. |
| 1849–50 | 1,214,865 | 121,437 | 2,060,505 | 3,396,807 |
| 1850–51 | 1,189,484 | 260,110 | 2,362,215 | 3,811,809 |
| 1851–52 | 2,300,470 | 297,398 | 2,448,190 | 5,052,059 |
| 1852–53 | 3,393,987 | 576,855 | 2,860,536 | 6,831,378 |
| 1853–54 | 2,085,986 | 577,490 | 2,208,480 | 4,871,956 |
| 1854–55 | 645,124 | 194,221 | 1,188,913 | 2,028,258 |
| 1855–56 | 5,479,854 | 852,487 | 4,968,947 | 11,301,288 |
| 1856–57 | 6,428,573 | 1,137,488 | 6,847,637 | 14,413,698 |
| 1857–58 | 7,186,210 | 1,167,265 | 7,461,961 | 15,815,436 |
| 1858–59 | Returns not yet received | 845,869 | 6,410,881 | Cannot be given. |

India Office,
29 February 1860.

M. Hornidge,
Statistical Reporter.

## — No. 2. —

AMOUNT of COINED MONEY, specifying GOLD MOHURS and RUPEES, as well as COPPER, issued by the Mints of *Calcutta, Madras,* and *Bombay,* during the last Ten Years for which the Accounts have been received.

### CALCUTTA MINT.

| YEAR. | GOLD. | | SILVER. | | | | | COPPER. | |
|---|---|---|---|---|---|---|---|---|---|
| | Number of Pieces. | Value in Rupees. | Whole Rupees. | Half Rupees. Value in Rupees. | Quarter Rupees. Value in Rupees. | Eighth Rupees. Value in Rupees. | Total Silver. Value in Rupees. | Number of Pieces. | Value in Rupees. |
| | | Rs. | Rs. | Rs. | Rs. | Rs. | Rs. | | Rs. |
| 1848–49 | 46,980 | 7,04,700 | 1,26,34,830 | 2,63,933 | 2,96,791 | 1,07,714 | 1,33,03,268 | 47,724,328 | 6,14,671 |
| 1849–50 | 21,635 | 3,24,525 | 1,17,67,719 | 6,14,069 | 6,39,272 | 5,76,057 | 1,35,97,117 | 19,614,155 | 3,06,471 |
| 1850–51 | 81,188 | 12,17,820 | 1,18,46,687 | 1,38,972 | 1,45,264 | 173 | 1,21,31,096 | 21,757,072 | 3,25,995 |
| 1851–52 | 41,700 | 6,25,500 | 1,69,81,424 | 1,64,735 | 4,35,597 | 2,98,434 | 1,78,80,190 | 45,815,711 | 6,35,965 |
| 1852–53 | - | - | 2,62,21,460 | 6,58,129 | 3,39,165 | 1,47,451 | 2,73,66,205 | 29,384,453 | 4,59,132 |
| 1853–54 | 97,119 | 14,56,785 | 2,22,40,542 | 3,67,165 | 3,88,365 | 1,86,630 | 2,31,82,702 | 32,747,932 | 4,60,643 |
| 1854–55 | 1,784 | 26,760 | 58,31,301 | 4,82,661 | 5,14,837 | 2,14,370 | 70,43,169 | 56,136,777 | 6,95,023 |
| 1855–56 | 111,909 | 16,78,635 | 3,79,32,861 | 2,59,761 | 4,54,856 | 64,845 | 3,87,62,323 | 15,734,869 | 2,39,987 |
| 1856–57 | 84,279 | 12,64,185 | 6,48,57,678 | 7,59,850 | 7,78,807 | 5,14,472 | 6,69,10,807 | 23,326,362 | 3,55,448 |
| 1857–58 | 29,189 | 4,37,835 | 6,99,61,750 | 10,28,195 | 10,61,446 | 10,41,915 | 7,30,93,306 | 49,752,826 | 7,35,263 |
| TOTAL | 515,783 | 77,36,745 | 28,03,26,252 | 47,87,470 | 50,54,409 | 31,52,061 | 29,32,70,183 | 341,994,485 | 48,28,598 |

AMOUNT of Coined Money, specifying Gold Mohurs and Rupees, as well as Copper, &c.—*continued.*

## MADRAS MINT.

| YEAR. | GOLD. | | SILVER. | | | | | COPPER. | |
|---|---|---|---|---|---|---|---|---|---|
| | Number of Pieces. | Value in Rupees. | Whole Rupees. | Half Rupees. Value in Rupees. | Quarter Rupees. Value in Rupees. | Eighth Rupees. Value in Rupees. | Total Silver. Value in Rupees. | Number of Pieces. | Value in Rupees. |
| | | *Rs.* | *Rs.* | *Rs.* | *Rs.* | *Rs.* | *Rs.* | | *Rs.* |
| 1848–49 | - - | - - | 11,60,411 | - - | 99,621 | 36,608 | 12,96,640 | 5,566,932 | 82,460 |
| 1849–50 | - - | - - | 6,87,600 | - - | 1,14,842 | 61,963 | 8,64,405 | 7,093,550 | 1,05,960 |
| 1850–51 | - - | - - | 15,37,993 | - - | 2,18,804 | 1,97,370 | 19,54,167 | 7,753,321 | 1,16,886 |
| 1851–52 | - - | - - | 32,93,915 | - - | 2,55,698 | 77,206 | 36,26,819 | 5,410,710 | 91,330 |
| 1852–53 | - - | - - | 39,34,975 | - - | - - | - - | 39,34,975 | 4,873,850 | 1,01,610 |
| 1853–54 | - - | - - | 65,49,625 | - - | 99,530 | 1,01,690 | 67,50,845 | 5,286,894 | 99,502 |
| 1854–55 | - - | - - | 24,57,020 | - - | 1,88,031 | 2,23,378 | 28,68,429 | 6,068,284 | 1,27,350 |
| 1855–56 | - - | - - | 44,08,283 | 4,26,715 | 4,80,727 | 1,36,592 | 54,52,317 | 6,783,358 | 1,20,677 |
| 1856–57 | - - | - - | 73,15,878 | - - | 7,70,279 | 5,91,815 | 86,77,972 | 15,129,884 | 2,59,435 |
| 1857–58 | - - | - - | 80,78,339 | 2,72,628 | 6,14,809 | 6,57,427 | 96,23,203 | 33,092,280 | 6,50,792 |
| TOTAL | - - | - - | 3,94,24,039 | 6,99,343 | 28,42,341 | 20,84,049 | 4,50,49,772 | 97,059,063 | 17,55,982 |

## BOMBAY MINT.

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| 1848–49 | - - | - - | - - - | - - | - - | - - | *1,11,92,701 | — | — |
| 1849–50 | 1,020 | 15,300 | 81,88,933 | 7,24,056 | 4,92,122 | 2,45,443 | 96,50,554 | — | — |
| 1850–51 | 1,290 | 19,350 | 1,15,51,376 | 5,27,530 | - - | - - | 1,20,78,906 | — | — |
| 1851–52 | 2 | 30 | 2,08,97,945 | 4 | - - | - - | 2,08,97,949 | — | — |
| 1852–53 | - - | - - | 2,25,58,973 | 6,38,845 | 4,00,034 | 2,00,617 | 2,37,98,469 | — | — |
| 1853–54 | - - | - - | 2,26,00,815 | - - | - - | - - | 2,26,00,815 | — | — |
| 1854–55 | - - | - - | 33,49,416 | - - | 3,98,000 | - - | 37,47,416 | 10,540,970 | 1,30,819 |
| 1855–56 | - - | - - | 2,53,94,609 | - - | 1,27,342 | - - | 2,55,21,951 | — | — |
| 1856–57 | 1,222 | 18,330 | 3,15,95,273 | 3,01,016 | 2,00,665 | 1,07,125 | 3,22,04,079 | — | — |
| 1857–58 | - - | - - | 4,27,97,523 | - - | - - | - - | 4,27,97,523 | — | — |
| TOTAL | 3,534 | 53,010 | 18,89,34,863 | 21,91,451 | 16,18,163 | 5,53,185 | 20,44,90,363 | 10,540,970 | 1,30,819 |

* Particulars not obtainable.

COMBINED STATEMENT of the Gold, Silver, and Copper Coins issued from the Mints of *Calcutta*, *Madras*, and *Bombay*, in the last Ten Years for which the Accounts have been received.

| | GOLD. | | SILVER. | | COPPER. | |
|---|---|---|---|---|---|---|
| | Number of Pieces. | Value in Rupees. | Number of Pieces. | Value in Rupees. | Number of Pieces. | Value in Rupees. |
| | | *Rs.* | | *Rs.* | | *Rs.* |
| 1848–49 to 1857–58 | 519,317 | 77,89,755 | 608,815,658 | 54,28,10,318 | 449,594,518 | 67,15,399 |

India Office,
25 April 1860.

*T. L. Seccombe,*
Secretary, Financial Department.

# PAPERS RELATING TO COINAGE (EAST INDIA).

— No. 3. —

COPIES of Acts or Ordinances of the Governor General in Council, during the last Ten Years, for regulating the Currency of *India*, and for declaring what Coinage should be held to be a Legal Tender.

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Extract, "Calcutta Gazette," 25 December 1852.

Fort William, Financial Department, 22d December 1852.

Notification.

By Section 9, Act XVII. of 1835 of the Government of India, it was enacted, that thenceforward no gold coin should be a legal tender of payment in any of the territories of the East India Company, and accordingly gold ceased from the date of the passing of the Act to be a legal tender of payment in the Company's territories in India. But by a proclamation issued on the 13th January 1841, officers in charge of public treasuries were authorised freely to receive gold coins struck in conformity with the provisions of the same Act (XVII. of 1835), at the rates indicated by the denomination of the pieces until they should have passed certain limits of lightness, set forth in a table published with the proclamation or until further orders, and gold coins have been thus received in liquidation of public demands up to the present date.

Notice is now given, that so much of the proclamation of the 13th January 1841, as authorised the receipt of gold coins into the public treasuries of Government, will be withdrawn and cancelled from the 1st January 1853, and that on and after that date no gold coin will be received on account of payments due, or in any way to be made, to the Government in any public treasury within the territories of the East India Company. Gold will continue as heretofore to be received into any of the mints within the territories of the East India Company for coinage under the Act and rules at present in force for the coinage of gold; but mint certificates for gold coins will be discharged in gold only, and no such certificate for gold will be accepted in any public treasury in liquidation of public demands, or on account of any payment to the Government whatever.

Published by order of the Most Noble the Governor General of India in Council.

(signed) *J. A. Dorin*,
Secretary to the Government of India.

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Extract, "Calcutta Gazette," 8th March 1854.

Fort William, Home Department, Legislative, 3d March 1854.

The following Act, passed by the Governor General of India in Council on the 3d March 1854, is hereby promulgated for general information.

Act XI. of 1854.

An Act to amend Act No. XXI. of 1835 and Act No. XXII. of 1844, and to authorise the Issue of Half Pice.

Whereas it has been deemed expedient, with reference to the convenience of the public, that copper coins, to be called half pice, should be issued, it is enacted as follows:—

I. So much of Section 1, Act XXI. of 1835, as enacts that copper coins therein mentioned only shall be issued from any mint in the Presidency of Bengal, and so much of Section 1, Act No. XXII. of 1844, as enacts that the copper coins therein mentioned only shall be issued from any mint within the territories of the East India Company, are repealed.

II. After the passing of this Act, copper coins, to be called half pice, may be issued from any of the mints in the territories under the Government of the East India Company.

 III. A half

III. A half pice shall weigh 50 grains troy, and shall be a legal tender in any part of the said territories for $\frac{1}{128}$th part of the company's rupee, but shall not be a legal tender, except for fractions of a rupee.

(signed) *C. Allen,*
Officiating Secretary to the Government of India.

EXTRACT, "Calcutta Gazette," 25th March 1854.

No. 7.

Fort William, Financial Department, 24th March 1854.

NOTIFICATION.

NOTICE is hereby given, that the following device has been approved and ordered by the Most Noble the Governor General of India in Council for the half pice pieces, to be coined and issued after the date of this notification, and under the provisions of Act XI. of 1854, from the mints within the territories under the Government of the East India Company.

On the obverse.—The armorial bearings of the East India Company.

On the reverse.—The value of the coin in English, half pice, and encircled by a wreath with the words "East India Company" round the margin.

The above half pice being a legal tender for any fraction of a company's rupee, will be received and issued at the rate of 128 to the said rupee; and the Governor General in Council further directs, that the said half pice shall be received by public officers, on account of the Government, in payment of any fraction of a company's rupee, at the rate of 128 of the said half pice to the said company's rupee.

Copper pice, double pice, and pies of the devices previously established by regulations, will remain current as heretofore.

By order of the Most Noble the Governor General of India in Council.

(signed) *C. Allen,*
Secretary to the Government of India.

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EXTRACT, "Calcutta Gazette," 27th June 1855.

Legislative Council, 23d June 1855.

THE following Act, passed by the Legislative Council, received the assent of the Most Noble the Governor General of India on the 29th May 1855 (communicated to the Legislative Council on the 23d June 1855), and is hereby promulgated for general information:—

Act No. XVII. of 1855.

AN ACT to improve the Law relating to the Copper Currency in the Straits.

Preamble. WHEREAS the Company's rupee is by Act XVII. of 1835 a legal tender in satisfaction of all engagements in the settlement of Prince of Wales' Island, Singapore, and Malacca; but no copper coin, except the half pice issued under Act XI. of 1854, is now by law legal tender for fractions of a rupee in that settlement, and it is expedient to remedy this defect in the law; and whereas besides the rupee, the dollar is by custom current in the said settlement, and it is therefore expedient to provide that the copper currency, which will be legal tender in the said settlement for fractions of a rupee, shall also be legal tender in the said settlement for fractions of a dollar; it is enacted as follows:—

[redacted]s repealed. I. Sections 1, 2, and 5 of Act VI. of 1847, are hereby repealed, in so far as they relate to copper pice, double pice, and pies coined in accordance with Act

Act XXII. of 1844, or Act XXI. of 1835; but in so far as they relate to all other copper coins, the said sections shall remain in full force. And the provisions of sections 1, 2, and 4 of Act XXII. of 1844, so far as they are now in force, are hereby extended to the settlement of Prince of Wales' Island, Singapore, and Malacca, where they shall have effect, anything in Act VI. of 1847 to the contrary notwithstanding.

II. From and after the 1st day of July 1855, within the said settlement, a pice coined according to Act XXII. of 1844, shall be legal tender for one one-hundred and fortieth part of a dollar, and a double pice so coined shall be legal tender for one seventieth part of a dollar; and a pie so coined shall be legal tender for one four hundred and twentieth part of a dollar; also a half pice coined according to Act XI. of 1854 shall be legal tender for one two hundred and eightieth part of a dollar. Pice legal tender for dollars.

III. Provided always, and it is hereby enacted, that no copper coins within the said settlement shall be legal tender, except for fractions of a rupee, or fractions of a dollar. Proviso.

(signed) *W. Morgan,*
Clerk of the Council.

EXTRACT, "Calcutta Gazette," 19th March 1856.

No. 13.

Fort William, Financial Department, 17th March 1856.

NOTIFICATION.

IT appears that it has hitherto been the practice in some treasuries to treat silver fractions of a rupee less than half a rupee, as falling under the operation of section 3, Act XVII. of 1835, which declares the rupee, half rupee, and double rupee to be legal tender in satisfaction of all engagements, provided the coin shall not have lost more than 2 per cent. in weight, and provided it shall not have been clipped or filed, or have been defaced otherwise than by use; but this practice is opposed to Section 5 of the same Act, which refers to the quarter rupee, and provides that it shall be a legal tender in payment of the fractions of a rupee, without making any provision in regard to loss of weight of the coin; it is therefore notified for general information that four and two anna silver pieces will in future be allowed to pass current, so long as they have lost weight only by fair abrasion; but if they have lost weight from any other cause, they will be treated as bullion.

By Order of the Right Honourable the Governor General in Council.

(signed) *C. Hugh Lushington,*
Secretary to the Government of India.

India Office, 5th March 1860.

*M. Hornidge,*
Statistical Reporter.

— No. 4. —

COPY of all CORRESPONDENCE between the Government of India and the Board of Directors, with reference to the CURRENCY of *India* during the last Ten Years.

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COPY Financial Letter from the Government of India, dated 25th March 1848.

No. 13.

Honourable Sirs,

IN compliance with the instructions contained in the third para. of your Honourable Court's Despatch, No. 17 of 1845, dated 3d September, we have now the honour to lay before your Honourable Court the reports* we have received on the effect of the new duty of one per cent. on the gold coinage of India, and briefly to recapitulate the circumstances under which that rate of duty was adopted.

2. The old standard for gold coinage in Bengal was 99¼ parts of pure gold to three-quarters of alloy. This was altered by Regulation 14 of 1818 to $\frac{11}{12}$ths of pure gold to $\frac{1}{12}$th alloy.

3. For several years previous to 1835, however, the old standard was reverted to, the law of 1818 having apparently become a dead letter, and large quantities of gold were received into the mint for coinage during that period. In 1835 a new law was passed, which again ordained the same standard for gold coinage as that previously fixed by the regulation of 1818.

4. The Act also declared that the coin should bear the head and name of the reigning sovereign of Great Britain, and that no gold coin should thenceforth be a legal tender in India.

5. The law came into operation from the 1st of January 1836; during that and the following year there was such a diminution of the importation of gold into the mint, and consequently of the seignorage realised by Government upon the coinage of private gold, that a strong opinion was entertained by many as to the expediency of reverting to the old standard.

6. After much discussion on the subject, it was determined that that question should be referred to your Honourable Court, while, in accordance with the opinion expressed by the Governor General, and by the Honourable Mr. Ross, that the violent prejudice which was stated to be entertained by the natives in favour of the purer standard might possibly be removable by a reduction in the rate of seignorage, and that in fact the new standard had not had a fair trial with so heavy a seignorage as two per cent., the Government resolved at once upon taking the step of reducing the seignorage to one per cent. A resolution of Government was recorded, and the reduction took effect from the 1st of December 1837.

7. Your Honourable Court having expressed dissatisfaction at the measure, and desired that the effect of it should be carefully noted, a report upon the subject was submitted by the mint committee to Government in 1841; the committee,

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* Letter to the Chief Secretary to the Government of Fort St. George, No. 2,175, dated 21st November 1845.

Letter to the Secretary to the Government of Bombay, No. 2,176, dated 21st November 1845.

Letter from the Chief Secretary to the Government of Bombay, No. 28, dated 9th January 1847, with Enclosures.

Letter to the Chief Secretary to the Government of Bombay, No. 97, dated 22d January 1847.

Letter from the Chief Secretary to the Government of Fort St. George, No. 89, dated 6th July 1847, with Enclosures.

Letter to the Mint Committee of Calcutta, No. 1,610, dated 18th August 1847.

Letter from the Secretary to the Mint Committee of Calcutta, No. 106, dated the 17th December 1847, with Enclosures.

committee, in concurrence with the mint master, expressed a very decided opinion that the receipt of gold into the mint on private account had not been affected by the reduction of seignorage, and they recommended that it should be restored to two per cent. as there "seemed no longer any object in giving gold an advantage over silver in the charge of seignorage."

8. The data upon which this conclusion was formed were briefly as follows:

From January 1836 when Act 17 of 1835 came into operation, to the 30th of April 1841, the receipts of private gold into the mint were as shown in the margin. From May 1836 to November 1837, there was a total cessation of delivery. In the latter month the resolution of Government was issued ordering the reduction of the seignorage to one per cent., and from that month there commenced a rapid flow of gold into the mint. To prove that this sudden increase of receipts was not the consequence of the announcement of the reduced rate of seignorage the committee alleged that other causes than the high rate of seignorage had operated during 1836 and 1837 to deter the bullion merchants from bringing gold to the mint. It was said that shortly after the gold mohur of 1835 was issued it had been refused at the General Treasury in payment of a Government demand, and that this had for a time thrown discredit upon the coin, and of course affected the delivery of bullion at the mint; it was further stated that during 1836–37 it either was actually compulsory, or had been believed by the merchants to be compulsory, upon every deliverer of gold bullion into the mint to receive payment of two certificates in gold mohurs. The first gold certificate paid in silver, was on the 27th December 1837, and the first gold certificate received by transfer in payment of a Government demand was in January 1838.

| | | Rs. |
|---|---|---|
| Jan. to April, | 1836 - | 45,661 |
| „ | 1836–37 - | 16,050 |
| „ | 1837–38 - | 4,52,838 |
| „ | 1838–39 - | 6,41,661 |
| „ | 1839–40 - | 12,29,011 |
| „ | 1840–41 - | 3,55,588 |

9. The option thus given to the merchants to receive payment of their gold certificates in silver (such option being valuable with reference to the then relative price of gold and silver) was, the committee conceived, the chief if not the only cause of the rapid flow of gold into the mint subsequent to November 1837, and as corroborative of this opinion they adduced the fact that out of 23,05,281 rupees worth of private gold received into the Treasury from November 1837 to April 1840, only 2,90,775 rupees were taken in gold mohurs, 10,51,385 rupees being paid in silver, and the certificates for 9,63,121 rupees, transferred in payment of salt or opium.

10. The recommendation of the mint committee for a recurrence of the old rate of seignorage was not concurred in by the Governor General in Council. His Lordship in Council was disposed rather to lower than to raise the charge, and he remarked strongly upon the exaction of 32 rupees upon the coinage of 100 gold mohurs as compared with the charge of two rupees upon the coinage of 100 rupees, the cost of the two operations being very nearly the same, and it being established, or supposed to be established, that the charge made upon the silver afforded a full remuneration to the Government for the work performed.

11. In September 1843, consequent upon a Despatch from your Honourable Court requiring a further report upon the seignorage question, the mint committee of Calcutta were again addressed on the subject, and at the same time the Government of Madras was called upon for a report as to the expediency of reducing the rate of seignorage on gold at that Presidency.

12. The mint authorities at Madras were all strongly in favour of a reduction, and in April 1844 the Supreme Government directed that the seignorage at both Madras and Bombay should be lowered to one per cent.

13. In July the mint committee of Calcutta submitted their second report upon the subject. In the previous six years the receipts of gold bullion had been as shown in the margin.

| | Rs. |
|---|---|
| 1838–39 - - - | 6,35,040 |
| 1839–40 - - - | 12,16,494 |
| 1840–41 - - - | 3,52,033 |
| 1841–42 - - - | 52,463 |
| 1842–43 - - - | 62,472 |
| 1843–44 - - - | 62,269 |

14. The committee adhered to the opinion expressed by the committee in 1841, that the option given to the merchant of receiving payment of his certificate in silver had been the main cause of the large importation of bullion during the earlier years of the series; the market price of gold was then below the price assigned to the gold mohur in the Act, that is, it was more profitable

to the importer to deliver his gold bullion at the mint, and after paying seignorage, to receive from the Treasury 15 rupees for every 165 grains of pure gold, than it was to sell the gold in the market; during the last three years, on the other hand, a material alteration had taken place in the market price of gold, and the mint price remaining the same, it had been no longer an object to the merchants to bring gold to the mint unless they happened to want gold mohurs, for they could get more silver for their gold in the market than they could at the Treasury, and thus the average receipts during the last three years had been actually somewhat less than those of the first year immediately following the re-introduction of the new standard when the seignorage was two per cent. The committee did not, however, assert that the reduction of the seignorage had no effect at all; on the contrary, it was evident that whenever it was worth while to take gold to the mint for the sake of getting silver in return, it must be better worth while with a seignorage of one per cent. than with one of two per cent.

15. Mr. Udny, the junior member of the committee, dissented from the view taken by his colleagues that the small quantity of gold imported into the mint during the last few years was immediately ascribable to its having become more valuable in the market; he believed the smallness of the import to be "owing to some other cause, probably to the value of gold being higher elsewhere than in Calcutta." "Mr. Udny likewise strongly advocated the principle that seignorage should be limited to one end, namely, to cover the expense of coinage."

16. Your Honourable Court, upon learning the reduction which had been ordered at Madras and Bombay, desired to be furnished with a full report of the effect of the adoption of the new duty through India when it should have been in operation at Madras and Bombay for a period of two years; and you observed, "Were the question to be determined merely what must be the rate of duty to defray the expense of coinage, the rate of even one per cent. would be quite inapplicable, as it greatly exceeds that expense. But the real question to be decided is, whether, under the peculiar circumstances of the respective Presidencies of India with regard to the gold coinage, and the demand existing for it, the higher rate of seignorage can properly be maintained, and whether it is likely to prove more productive than a lower duty."

17. The mint committees of the three Presidencies have now submitted reports in reply to the above call.

| | *Rs.* | *a.* | *p.* |
|---|---|---|---|
| In April 1840 - | 1,102 | 9 | 11 |
| In Oct. „ - | 3,836 | 7 | 6 |
| In April 1845 - | 3,483 | 8 | 11 |
| In June „ - | 21,447 | 4 | 7 |
| In July „ - | 7,126 | 1 | 6 |

18. At the Bombay mint, the amount of private gold bullion tendered for coinage during 15 years is shown in the margin.

19. The committee observe that the tenders of gold bullion have certainly "been greater since the reduction of the seignorage than previously; but, adverting to the shortness of the period, and the variety of independent circumstances which may be supposed to have affected the result, they are doubtful whether it is one on which great reliance can be placed."

20. The mint master states that he believes the high price given for the gold bullion in order to send it into the opium districts is the chief cause of the amount tendered to the mint for coinage bearing so small a proportion to the quantity which is imported into Bombay.

21. At Madras, the mint master considers the receipts of gold bullion to have been too small to furnish any certain data upon which to found an opinion, as to the operation of the reduction of the seignorage; he thinks it probable, comparing the receipts for a series of years, that the bullion market may have been affected by the closing of the mint in 1836; but the main obstacle to a large receipt of gold into the mint is unquestionably the rate of exchange between gold and silver. If the gold mohur were declared to be worth 16 rupees, he has no doubt there would be a current of gold into the mint for coinage, but that under the present rate of exchange gold is used only for remittances, and is just as valuable for that purpose when in bars or ingots as when coined; he conceives that, under the present circumstances, a difference between one and two per cent. seignorage must be quite inoperative.

| | *Rs.* |
|---|---|
| 1831–32 - - - | 45,090 |
| 1832–33 - - - | 7,39,320 |
| 1833–34 - - - | 33,48,770 |
| 1834–35 - - - | 20,56,677 |
| 1835–36 - - - | 3,96,047 |
| 1836–37 to 1840–41 | mint closed. |
| 1841–42 - - - | 10,473 |
| 1842–43 - - - | 28,167 |
| 1844–45 - - - | 3,738 |
| 1845–46 - - - | 8,789 |

22. Mr.

22. Mr. Stonhouse, one of the members of the mint committee, stating his views in a separate paper, does not agree with the mint master in supposing that the bullion market has been at all affected by the closing of the mint. He remarks that the imports of gold into Madras have always been very inconsiderable, and that in 15 years the largest quantity imported in any one year, 1,41,181 rupees, was in 1838–39, when the mint was closed. He is not of opinion that the mint is supplied with gold imported from foreign ports, the seignorage having sometimes been very large when the imports of bullion into Madras have been very trifling. He states that there is, in fact, no bullion trade at Madras, and that, anomalous as it may be, gold, notwithstanding its scarcity and high value, is not only not imported into Madras, but has been exported thence to Bengal and the United Kingdom in considerable quantities. The large receipts of the mint in the years 1832-33, 1833-34, and 1834-35, were entirely ascribable to a severe famine which pervaded the whole Presidency, compelling the native population throughout the country to part with their jewels. He considers that the supply of the mint at Madras has hitherto been dependent upon Madras itself, and therefore upon adventitious circumstances of season, such as that referred to above; and he does not believe that the seignorage being fixed at one or two per cent. has any influence upon the importations of gold into the mint one way or the other.

23. The mint committee are of opinion that the reduction of the seignorage has had no effect, owing to the counteracting influence of the high premium on gold, but consider that the measure is a good one in itself, and likely to be productive of beneficial results. They draw attention to the mint master's suggestion regarding the alteration in the value of the gold mohur.

24. At Calcutta, the mint committee state that it is not possible to determine accurately the effect produced by the reduction of seignorage. They say that there is no doubt that any increase of seignorage must have a tendency to exclude bullion, although it may be so small as not to operate at all; they think it clear that, under the same circumstances, if little gold is brought to the mint when the seignorage is one per cent., less will be brought if it is increased to two per cent; but the fact being that less gold has been brought to the mint during the 10 years in which the seignorage has been one per cent. than in the 10 years preceding, when the seignorage was two per cent., they consider it obvious that some other agent must be looked for as influencing the importation of bullion into the mint. They have no doubt themselves that the chief cause of the small quantity of gold which has been brought for coinage is the Act 17 of 1835, which again enforced the less pure standard that was originally ordained by the law of 1818, altering at the same time the device of the coin, and declaring gold to be no longer a legal tender. The committee do not think the declaration that gold should be no longer a legal tender would have had much effect upon the importation, if the old standard and the device had remained, because gold had only been nominally a legal tender for many years; they remark, however, that no sooner was the standard reduced than it was followed by almost a complete cessation of gold coinage; that subsequently, on the coinage of the old standard being* resumed for a time, contrary to the Act, there was immediately a full flow of gold for coinage into mohurs of the old standard, which ceased again as soon as the law was strictly adhered to, and that, taking this fact into consideration, with the known preference the natives have for pure gold, and the reasonable ground of that preference, viz., that pure gold alone is good for conversion into ornaments (a conversion which may often be looked for in a country where gold is not money), they hold it to be established that the alteration† of the gold coinage has been the cause of the falling off in the imports of gold to the mint.

25. Mr.

* This was in 1839–40, but it has been before established that in that and the two preceding years the public brought their gold bullion to the mint for the sake of getting silver, and not to get gold mohurs, because just at that time they received more silver from the mint than they could sell their gold for in the market.

† The committee dwell at large upon this point in their last report of mint operations:—"Nearly the whole of the silver imported to Calcutta goes as a matter of course into the mint. The case is different with the gold imported, of which it is believed that the larger portion is taken to the mints of native states. There seems to be abundant proof that the old gold mohur was greatly preferred to the

25. Mr. Udny, one of the members of the committee, dissents in some respects from the opinion of his colleagues. He apprehends that the system of private assays has materially affected the receipts of gold in the mint.

26. The average coinage on private account from 1822–23 to 1828–29 was 5,38,000 rupees; between 1838–39 to 1846–47 it was 3,37,000 rupees; the average quantity of gold privately assayed during the above periods was 1,33,000 rupees and 11,17,000 rupees respectively. The charge for each assay was, during the first period, eight rupees, and during the second period, four rupees a parcel, of whatever quantity. Hence Mr. Udny infers that it is for the value of the assay that parties bring gold to the mint, and that if the assay charge was raised to its former amount, the seignorage at the same time remaining as it is, the result would be a greater demand for coinage; that the demand might be further increased if the seignorage were reduced to ¾ per cent., and still more if the private assays of gold bullion were altogether discontinued, or subjected to so high a charge as to amount to a prohibition. Mr. Udny does not deny that, if the old standard were reverted to, "*cæteris paribus*, the mint might coin more gold for the public than it does at the present standard;" but he contends that, by the measures suggested, the amount of coinage might as it is be much increased, "perhaps even equal the amount of the years when the higher standard prevailed."

27. The mint returns give the number of private gold assays from 1822 to 1847, as per margin.* In the seven years from 1822 to 1828, the coinage was the new standard (that of 1818), but the old device; in the seven years from 1829 to 1835, the coinage had reverted to the old standard. In the 12 years from 1836 to 1847, the new gold mohur prescribed by Act 17 of 1835 has alone been coined by the public. In the first period, the average of private assays was 36$\frac{3}{7}$; in the second period, 25$\frac{3}{7}$; and in the last period, 225$\frac{1}{2}$. The fee upon private assays was reduced to its present amount early in 1832, and there is no marked increase in the demand for assays during that or the three following years; but in 1836, when Act 17 of 1835 came into operation, there appears an immediate and large increase in the demand. It seems doubtful, therefore, whether we should not regard the demand for assay as being the result of people not wishing to have their bullion coined in our mint, rather than take the reduced coinage to be the result of the system of private assays.

28. In the margin† is a statement of the receipts of gold bullion on private account into the mint from 1818–19 to 1846–47 inclusive. The average of the ten

---

the new Company's mohur, and undoubtedly the main cause of preference was the greater fineness of the former, but whether it was the sole cause seemed doubtful. It is natural to suppose that the total change of device, the transmutation of what was purely a native coin in its appearance, into one which displays the head of the reigning sovereign of Great Britain, with an English inscription, would not be altogether popular. It may be said that this change of device did not prevent the new silver coin from gaining rapid circulation, and it may be asked, why then should it interfere with the gold? but the cases are *essentially* different. Silver coin is money in India, which gold coin is not. The latter was, indeed, nominally a legal tender until Act 17 of 1835, but in practice it never performed the functions of money. Had it been so then, as in the case of silver, necessity would have forced its use."

* 

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| 1822 | 59 | 1829 | 11 | 1836 | 175 | 1843 | 273 |
| 1823 | 71 | 1830 | 10 | 1837 | 205 | 1844 | 320 |
| 1824 | 16 | 1831 | 24 | 1838 | 93 | 1845 | 348 |
| 1825 | 17 | 1832 | 12 | 1839 | 102 | 1846 | 325 |
| 1826 | 21 | 1833 | 54 | 1840 | 159 | 1847 | 332 |
| 1827 | 69 | 1834 | 26 | 1841 | 171 | | |
| 1828 | 32 | 1835 | 41 | 1842 | 204 | | |

† 

| | Rs. | | Rs. | | Rs. |
|---|---|---|---|---|---|
| 1818–19 | 3,89,836 | 1828–29 | 4,40,988 | 1838–39 | 6,41,661 |
| 1819–20 | 8,26,916 | 1829–30 | 10,69,523 | 1839–40 | 12,29,011 |
| 1820–21 | 6,23,248 | 1830–31 | 20,03,086 | 1840–41 | 3,55,588 |
| 1821–22 | 3,30,046 | 1831–32 | 19,30,307 | 1841–42 | 52,463 |
| 1822–23 | 2,67,987 | 1832–33 | 26,13,995 | 1842–43 | 62,472 |
| 1823–24 | 1,71,501 | 1833–34 | 27,18,436 | 1843–44 | 62,269 |
| 1824–25 | 4,84,787 | 1834–35 | 15,23,996 | 1844–45 | 1,55,548 |
| 1825–26 | 9,98,321 | 1835–36 | 12,84,076 | 1845–46 | 1,33,827 |
| 1826–27 | 4,97,070 | 1836–37 | 16,829 | 1846–47 | 3,63,189 |
| 1827–28 | 9,11,161 | 1837–38 | 4,58,544 | | |

ten years subsequent to the reduction of the seignorage is 3,51,457 rupees; the average of the 10 years previous to the recurrence to the old standard in 1829 was 5,55,202 rupees. The standard was the same as that now used, but the coin was an Oriental one; the seignorage was then two per cent. The average of the seven years during which the old standard gold mohur was coined, and when the seignorage was two per cent., was 18,77,631 rupees.

29. A statement of the importations of gold into the port of Calcutta, from 1820–21 to 1846–47 inclusive, is given in the margin.*

30. It seems clear, on the whole, that the reduction of the seignorage to one per cent. has done very little, if anything, towards inducing the public to bring their bullion to the Government mint for coinage. The supposition of the present mint committee, that a large portion of gold is now carried to the native mints, if correct, is a result which was assumed by those who were opposed to the present standard of the gold coinage, and urged the expediency of reverting to the old standard of 1793. On this head the mint committee have observed, "The Court have determined that the standard of the gold coin shall remain as it is, and shall on no account be deviated from. The object of coining is not to gain the seignorage, and the seignorage is all that is lost by not coining the old gold mohur; therefore the hope of recovering what is thus lost is not a legitimate reason for reverting to the old standard. To the currency of the country it is of no consequence whatever whether gold is brought to the mint, since gold forms no part of the currency."

Copy Financial Letter to the Government of India, dated 6th September 1848, No. 37.

Letter from, dated 25th March 1848, No. 13.

Forwards Reports of the mint committees of Calcutta, Madras, and Bombay, on the effect produced on the quantity of gold brought to the Company's mints by the reduction of the seignorage to one per cent.

1. We gather from these reports that the reduction of the seignorage on gold from two to one per cent. has not been attended with any increased flow of gold into the Company's mints for coinage, but on the contrary, that the supply has somewhat diminished in amount.

2. This circumstance may be viewed as determining the question that the seignorage of two per cent. did not exclude gold which would otherwise have been delivered into the mint for coinage, and the alteration of the rate was consequently unnecessary and ineffectual. It is evident that if the reduction of duty did not increase, it could not possibly tend to diminish the amount of the deliveries.

3. Various opinions are given as to the probable causes of the cessation of the demand for the gold coinage. The mint committee at your Presidency attribute it altogether to the reduction of the standard which was enforced by Act 17 of 1835, and they advance fair evidence in support of their proposition. But admitting the probability that the opinion of the committee is correct, we are not disposed to sanction any experiment for testing its accuracy, because we do not think that the alteration of the standard of the gold coin would be attended with any practical benefit. There can be no doubt of the fact, that the pure gold mohur was preferred by the native community, but we believe this preference

| | *Rs.* | | *Rs.* | | *Rs.* |
|---|---|---|---|---|---|
| * 1820–21 | 23,48,738 | 1829–30 | 12,21,614 | 1838–39 | 9,44,065 |
| 1821–22 | 11,77,062 | 1830–31 | 16,07,148 | 1839–40 | 20,45,400 |
| 1822–23 | 13,25,267 | 1831–32 | 15,73,929 | 1840–41 | 9,10,258 |
| 1823–24 | 14,00,161 | 1832–33 | 14,78,738 | 1841–42 | 11,86,833 |
| 1824–25 | 8,95,280 | 1833–34 | 11,95,661 | 1842–43 | 15,45,029 |
| 1825–26 | 11,30,224 | 1834–35 | 13,28,622 | 1843–44 | 18,10,487 |
| 1826–27 | 12,80,275 | 1835–36 | 10,28,580 | 1844–45 | 17,36,891 |
| 1827–28 | 21,37,791 | 1836–37 | 13,49,470 | 1845–46 | 16,30,401 |
| 1828–29 | 10,80,701 | 1837–38 | 16,27,016 | 1846–47 | 21,59,217 |

These results are taken from the Custom-house returns, on which, however, no great reliance can be placed.

ference to have arisen not from the utility of the gold coin as a medium of circulation, but, because for the purpose of hoarding, and for conversion into ornamental jewellery, its purity caused it to be highly valued by the wealthy class of natives.

4. There is, moreover, no necessity for change. The absence of a gold coinage does not appear to create any inconvenience, and supposing difficulty to result from this cause, we apprehend that it would speedily be obviated, since gold would then naturally be brought to the mint, and the demand for this currency would immediately call forth an abundant supply.

## Copy Financial Letter to the Government of India, dated 8th November 1848, No. 42.

1. We now proceed to review the papers and statements which accompanied your letter of the 3d December last, No. 40, and which have especial reference to the operations of the Calcutta mint for the years 1845–46 and 1846–47. The letter from the mint committee, forming part of the collection, contains however, a general report on the coinage since the introduction of the present currency under Acts 17 and 21 of 1835, and to this report we shall have occasion to refer in connexion with our review of the operations more immediately brought to our notice.

2. It is unnecessary to advert to the importance of a subject which is eminently interesting both on political and financial grounds. We have long desired to receive information which might enable us to note the progress of the new coinage, and the requisite knowledge of a question of such magnitude can only be obtained by a comparison of the results of a series of years.

3. We shall endeavour first to simplify as far as possible the accounts of the mint operations for the last two years, then to exhibit and compare the operations of previous years, and finally to deduce from a review of the whole, such results as may appear to be worthy of observation.

4. It is essential in order to a right comprehension of mint accounts to understand the basis on which they are framed. For instance, it would not be correct to take for the foundation of an account the returns made to the bullion merchant, since that must be the value after deducting the seignorage, and for the purpose of account both charge and receipt should be exhibited. It is evident that the amount of coin actually produced from the bullion delivered into the mint irrespectively of the cost of coinage, must be taken as the result of the mint operations, and on this result accordingly, which is denominated the "assay produce," the accounts now before us have been framed.

5. The "assay produce" of gold paying duty received into the mint from individuals in 1845–46

| | *Rs.* | *a.* | *p.* | *Rs.* | *a.* | *p.* |
|---|---|---|---|---|---|---|
| Amounted to - - - | 1,35,215 | 15 | – | | | |
| And that of silver to - | 93,87,767 | 8 | 10 | | | |
| | | | | 95,22,983 | 7 | 10 |
| In 1846–47 the former amounted to | 3,67,175 | 10 | – | | | |
| And the latter to - - - - | 95,50,035 | 14 | 1 | | | |
| | | | | 99,17,211 | 8 | 1 |
| *Co.'s Rs.* - - - | | | | 1,94,40,194 | 15 | 11 |

6. This sum, viz., *Rs.* 1,94,40,194 15. 11., or nearly two crores, may be taken to be the amount of gold and silver which has been issued in the maintenance of the currency during the last two years.

7. But

7. But in order to exhibit the full extent of the operations of the mint, we must add to the above—

| | | | | Rs. | a. | p. |
|---|---|---|---|---|---|---|
| Amount of Company's rupees | | | | 1,94,40,194 | 15 | 11 |
| The followng sums, viz., value of worn or uncurrent coins transmitted to the mint by Government officers for recoinage:— | | | | | | |
| | Rs. | a. | p. | | | |
| 1845-46 | 70,18,940 | 7 | 3 | | | |
| 1846-47 | 68,33,534 | 8 | 9 | | | |
| | | | | 1,38,52,475 | – | – |
| Silver paying duty received into the mint from China on account of Her Majesty's Government in 1846-47 | | | | 24,17,314 | – | 9 |
| Value of gold extracted from silver by Dr. O'Shaughnessy's parting process | | | | 51,639 | 14 | 9 |
| | | | | | | 1,63,21,428 15 6 |
| TOTAL | | | Co.'s Rs. | | | 3,57,61,623 15 5 |

8. Thus we have *Rs.* 3,57,61,623, 15. 5. (or more than 3½ crores) as the value of the assay produce of the gold and silver bullion and coin (for coinage) delivered into the Calcutta mint in 1845-46 and 1846-47.

9. The value of the actual coinage in the two years was, however, *Rs.* 3,95,92,324. 14., and the amount by which this sum exceeds the value of the bullion delivered into the mint, is explained by reference to the balance in the mint at the commencement of the operations of 1845-46, which exceeded 79 lacs of rupees.

10. The profits on the coinage after deduction of the operative losses have been as follows, viz.—

| | | | | Rs. | a. | p. |
|---|---|---|---|---|---|---|
| 1845-46, gold profit | | | 18,693 | 1 | 10 | |
| „ silver profit | | | 1,50,184 | 4 | 5 | |
| | | | | 1,68,877 | 6 | 3 |
| 1846-47, gold profit | | | 37,247 | 12 | – | |
| „ silver profit | | | 1,86,340 | 14 | 5 | |
| | | | | 2,23,588 | 10 | 5 |
| Profit | | Co.'s Rs. | | 3,92,466 | – | 8 |

11. But against this apparent profit on the gold and silver coinages must be placed the cost of maintaining the mint establishment, which in

| | | | | Rs. | a. | p. |
|---|---|---|---|---|---|---|
| 1845-46 amounted to | | | 2,80,286 | 15 | 2* | |
| And in 1846-47 to | | | 2,75,867 | 10 | 3 | |
| | | | | 5,56,154 | 9 | 5 |
| Deduct Profit | | | | 3,92,466 | – | 8 |
| Loss | | | | 1,63,688 | 8 | 9 |

And if from this sum (*Rs.* 5,56,154. 9. 5.) be deducted the profit stated above the result will show a loss of *Rs.* 1,63,688. 8. 9.

12. This

* 1845-46:

| | Rs. | a. | p. |
|---|---|---|---|
| Fixed and extra establishment | 2,11,343 | 8 | 9 |
| Stores from England | 23,800 | 3 | 2 |
| Coal | 22,559 | 3 | 9 |
| Repairs and sundries | 22,584 | 4 | 6 |
| | 2,80,286 | 15 | 2 |

1846-47:

| | Rs. | a. | p. |
|---|---|---|---|
| Fixed and extra establishment | 2,15,777 | 14 | – |
| Stores from England | 19,514 | 3 | 10 |
| Coal | 18,731 | 12 | 2 |
| Repairs and sundries | 21,843 | 12 | 3 |
| Rs. | 2,75,867 | 10 | 3 |

12. This calculation does not include any charge on account of the prime cost of the mint and machinery, which amounted to 28,71,754 rupees. The interest of this sum alone at five per cent is 1,43,587 rupees per annum. This charge, as we have frequently observed in our former Despatches, ought to be taken into account in every statement of the expenses of the mint, and if in the present instance it be added for two years, it will carry the loss on the gold and silver coinage for those years to 4,50,862 rupees.

13. We have thus analysed the gold and silver coinages conducted in the Calcutta mint during the last two years, without taking into the account the coinages of copper which have been executed during the same period. This course we have adopted advisedly, being desirous to exhibit by a separate notice of these coinages the effect produced on the mint accounts. It will now, however, be proper to advert to the copper coinage.

14. The value of the copper coinage struck at the Calcutta mint

| | *Rs.* | *a.* | *p.* |
|---|---|---|---|
| In 1845–46 was | 6,89,664 | 14 | – |
| And in 1846–47 | 5,21,509 | 10 | 3 |
| *Rs.* | 12,11,174 | 8 | 3 |

The profit upon it, after deducting losses by waste and charges,

| | *Rs.* | *a.* | *p.* |
|---|---|---|---|
| Amounted in 1845–46 to | 3,38,437 | 12 | – |
| And in 1846–47 | 2,37,297 | 3 | – |
| Profit *Rs.* | 5,75,734 | 15 | – |

15. If from this profit on copper coinages be deducted, the loss sustained on the coinages of gold and silver, and the interest on the cost of the new mint, a net profit of *Rs.* 1,24,872 6. 3. is exhibited on the entire coinage of gold, silver, and copper during the years 1845–46 and 1846–47.*

16. Hence, it appears that the immense coinages of copper of late years have alone prevented the mint from being a heavy charge to the State. The Government having the sole right of coining, must always maintain the mint in working order at the public expense. As the only set-off against the charge arises from the duty on bullion (one per cent. on gold, and two per cent. on silver), it follows that the profits and losses cannot be accurately deduced from the operations of one or two years, but only by a series of comparisons and averages. If, for instance, the coinage of one year be unusually large, the rate of charge may appear to be very low, and yet this may be the result not of economy, but solely of the magnitude of the coinage of that year; and, on the other hand, if the amount of the coinage be small, the rate of charge may be apparently excessive, though every precaution to prevent unnecessary expense be carefully adopted.

17. The

| | *Rs.* | *a.* | *p.* |
|---|---|---|---|
| *Profit on copper coinage | 5,75,734 | 15 | – |
| Deduct loss on gold and silver | 1,63,688 | 8 | 9 |
| Profit *Rs.* | 4,12,046 | 6 | 3 |
| Deduct interest on cost of the new mint | 2,87,174 | – | – |
| Remaining Profit *Rs.* | 1,24,872 | 6 | 3 |

17. The following statement will illustrate this point. It shows the charge of the Mint establishment as compared with the value of the coinages, since the year 1835–36:

| YEAR | Total Value of the Coinage. | | | Cost of Fixed and Extra Establishments. | | | Rate per Cent. on Value of Coinage. | | |
|---|---|---|---|---|---|---|---|---|---|
| | *Rs.* | *a.* | *p.* | *Rs.* | *a.* | *p.* | *Rs.* | *a* | *p.* |
| 1835–36 | 1,65,96,707 | 5 | 1 | 2,08,683 | 10 | – | 1 | 4 | $1\frac{6}{12}$ |
| 1836–37 | 3,00,27,447 | 8 | – | 2,32,700 | – | – | – | 12 | $4\frac{19}{24}$ |
| 1837–38 | 2,16,64,899 | 12 | – | 2,14,968 | 11 | 3 | – | 15 | $10\frac{49}{96}$ |
| 1838–39 | 2,76,14,792 | 2 | 3 | 2,05,649 | 13 | 4 | – | 11 | $10\frac{53}{64}$ |
| 1839–40 | 2,28,25,825 | 3 | 3 | 2,12,091 | 6 | 1 | – | 14 | $10\frac{3}{4}$ |
| 1840–41 | 1,74,81,680 | 4 | 9 | 1,97,151 | 12 | 7 | 1 | 2 | $-\frac{34}{64}$ |
| 1841–42 | 2,57,28,736 | 6 | 3 | 1,84,176 | 12 | 7 | – | 11 | $5\frac{7}{16}$ |
| 1842–43 | 2,08,36,420 | 7 | – | 2,05,081 | 1 | 3 | – | 15 | 9 |
| 1843–44 | 2,25,04,733 | 6 | – | 2,03,540 | 12 | 3 | – | 14 | $5\frac{13}{20}$ |
| 1844–45 | 2,89,40,421 | 13 | 3 | 2,05,748 | 4 | – | – | 11 | $4\frac{1}{2}$ |
| 1845–46 | 2,33,76,532 | 6 | – | 2,11,343 | 3 | 9 | – | 14 | $5\frac{56}{100}$ |
| 1846–47 | 1,74,26,967 | – | 3 | 2,15,777 | 14 | – | 1 | 3 | $9\frac{11}{15}$ |

18. It will be observed, that in the three years in which the per-centage is the highest, viz., 1835–36, 1840–41, and 1846–47, the amount of the coinage was unusually small, and *vice versâ*, that in 1836–37, 1838–39, and 1841–42, when the per-centage was low, the coinage was of large amount.

19. A small per-centage is, however, no proof of economy. To exemplify this, we observe that in 1836–37, when the total coinage amounted to *Rs.* 3,00,27,447. 8 *a.* (the highest value shown on the records of the Mint), the per-centage of the Mint establishment was 12 *a.* $4\frac{19}{24}$ *p.*, whereas in 1844–45, when the coinage was *Rs.* 2,89,40,421. 13. 3., it was only 11 *a.* $4\frac{1}{2}$ *p.* In this case the per-centage is higher on the larger amount of coinage, a circumstance which may be taken to prove either that due economy was not practised in 1836–37, or that extraordinary vigilance was exercised over the expenditure of 1844–45. There is one fact exhibited in the above statement, which especially demands attention. The charge of the fixed and extra establishment of the Mint has been progressively increasing since the year 1841–42, and it was highest in 1846–47, when the value coined was lower than in the 10 preceding years.

20. This is a state of things which it particularly requires your vigilant care to correct.

21. The annexed statement gives the value of the Mint operations of the 12 years which have elapsed since the establishment of the existing currency, distinguishing the gold, silver, and copper, in separate columns:

| YEARS | Value of Gold Coinage. | | | Value of Silver Coinage. | | | Value of Copper Coinage. | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | *Rs.* | *a.* | *p.* | *Rs.* | *a.* | *p.* | *Rs.* | *a.* | *p.* | |
| 1835–36 | 11,22,509 | 10 | – | 1,52,34,337 | 15 | 6 | 2,39,859 | 11 | 7 | |
| 1836–37 | 68,145 | – | – | 2,98,14,302 | 8 | – | 1,45,000 | – | – | |
| 1837–38 | 2,54,265 | – | – | 2,09,34,109 | 8 | – | 4,76,531 | 4 | – | |
| 1838–39 | 3,44,705 | 10 | – | 2,67,63,742 | 12 | – | 5,06,343 | 12 | – | |
| 1839–40 | 7,91,557 | 2 | – | 2,15,77,576 | 8 | – | 4,06,691 | 8 | 6 | |
| 1840–41 | 5,67,720 | – | – | 1,64,10,686 | 4 | – | 5,03,174 | – | 9 | |
| 1841–42 | 2,31,015 | – | – | 2,51,26,312 | 8 | – | 3,71,408 | 14 | 3 | |
| 1842–43 | – | – | – | 2,06,11,864 | 4 | – | 2,24,556 | 3 | – | |
| 1843–44 | 1,66,335 | – | – | 2,17,66,085 | 8 | – | 5,72,322 | 14 | – | |
| 1844–45 | 1,79,760 | – | – | 2,83,35,502 | 4 | – | 4,25,059 | 9 | 3 | |
| 1845–46 | 1,54,535 | – | – | 2,25,32,332 | 8 | – | 6,89,664 | 14 | – | |
| 1846–47 | 4,37,335 | – | – | 1,64,78,122 | 6 | – | *5,21,509 | 10 | 3 | |
| TOTAL – *Rs.* | 42,97,882 | 6 | – | 26,55,84,968 | 13 | 6 | 50,82,122 | 5 | 7 | |

* Including Straits Coinage.

The average value of the coinage of each year will be found to be as follows, viz. :—

| | | *Rs.* | *a.* | *p.* |
|---|---|---|---|---|
| Gold | - - - - - - - - | 3,58,156 | 13 | 10 |
| Silver | - - - - - - - - | 2,21,32,080 | 11 | 9½ |
| Copper | - - - - - - - - | 4,26,510 | 3 | 1½ |
| TOTAL | - - - - *Rs.* | 2,29,13,747 | 12 | 9 |

22. It appears, however, that the total value of the gold coined in the Calcutta Mint during the 35 years from 1801 to 1835, was Sicca Rupees 3,59,25,578. 4. 8. By comparing this amount with that shown above as having been coined since the Act of 1835 took effect, an immense falling off (about 67¼ per cent.) is exhibited. The fact of gold having disappeared from circulation accounts for this decrease. The old gold mohur being employed, not so much as money, but as furnishing articles for ornament or use, was much more in demand than the new Company's mohur, and as the natural result, the larger portion of the gold bullion now imported is believed to be re-exported, or absorbed in the manufacture of ornamental articles used by the population.

23. The total amount of silver coined in the Bengal Presidency from 1801 to 1835, was Rs. 51,63,07,608., whereas in the last 12 years from 1835 to 1847, the amount, as shown above, was Co.'s Rs. 26,55,84,968. 13. 6., being an increase at the rate of about 40½ per cent. Though a large portion of this increase has doubtless been issued in replacement of the currencies of the native States, or in substitution for rupees of short weight which have been called in, it may be presumed that some part of it forms an addition to the circulation of India.

24. The total copper coinage executed in the Bengal Presidency from 1801 to 1835, was equal in value to Sicca Rs. 54,95,401. 13. 9., whereas in the 12 years from 1835 to 1847, its value, excluding the copper coin for the Straits Settlements was Co.'s Rs. 49,48,533. 2. 4., showing an increase at the rate of 146 per cent.

25. The total gross profit resulting from the copper coinage of the last 12 years is stated in the Mint committee's report at Co.'s Rs. 29,42,838. 10. 6., but from this is to be deducted a considerable sum for losses by the sale of large quantities of defaced pice returned to the Mint.

26. The following figures show the value of the coinages since 1835–36 in two separate periods of six years, viz. :

From 1835–36 to 1840–41 :

| | *Rs.* | *a.* | *p.* |
|---|---|---|---|
| Value of Gold Coinage - - - - - | 31,48,902 | 6 | – |
| „ Silver „ - - - - - | 13,07,34,749 | 7 | 6 |
| „ Copper „ - - - - - | 22,77,600 | 4 | 10 |
| *Rs.* | 13,61,61,252 | 2 | 4 |

From 1841–42 to 1846–47 :

| | *Rs.* | *a.* | *p.* |
|---|---|---|---|
| Value of Gold Coinage - - - - - | 11,48,980 | – | – |
| „ Silver „ - - - - - | 13,48,50,219 | 6 | – |
| „ Copper „ - - - - - | 28,04,522 | – | 9 |
| *Rs.* | 13,88,03,721 | 6 | 9 |
| Difference in favour of 1841–42 to 1846–47 - *Rs.* | 26,42,469 | 4 | 5 |
| Average Increase per Annum - *Rs.* | 4,40,411 | 8 | 9 |

This statement is interesting, as exhibiting the progressive increase of the coinage. It will be observed that, notwithstanding the great falling off in the gold coinage, there has been an average increase on the whole of nearly 4½ lacs per annum during the last six years.

27. With

27. With reference to the various statements above quoted, which have been principally taken from the report of the Mint Committee accompanying your letter under reply, we would here observe that it is our intention to test their accuracy by instituting a comparison between the Mint accounts as sent to us by the Mint Master, and the same as entered in the general books of account. The result of our inquiry shall be transmitted to you at an early opportunity.

28. A striking feature of the accounts before us, is the large increase of the copper coinage. We shall briefly refer to former correspondence on this important subject.

29. In your letter in this department, dated 27 January 1836, you observed, that at that time, "the large issues made during the last five years, since the powerful machinery of the Calcutta Mint had been employed in the coining of copper, had thrown into circulation more than was required for the money transactions conducted in that coin," and you ascribed a large return of the copper coin through the Post-office and other channels to that overissue.

30. In our letter in reply, dated 12 October 1836 (para. 4), we pointed out that that excessive issue had amounted, during the three years ending with 1832-33, to more than 87 millons of coins from the Calcutta Mint, of the value of 12,38,508 rupees. This was on the average 4,12,836 rupees per annum. After pointing out in the letter to which we have referred the manifest inconvenience and danger resulting from endeavours to force out larger masses of coin, issued much above its intrinsic value, than the circulation will absorb, we signified our hope "that the experience of past evils would insure caution for the future."

31. In your reply, dated 20 December 1837, in noticing the inconvenience pointed out, you observed, "We have always, since the resolution was taken to reform the currency, looked to confining the use of copper money within as narrow limits as possible, and so extending the use of silver," and you considered an adequate supply of small silver indispensable, especially with reference to the diminution of the amount for which copper should be a legal tender.

32. You must also be aware that in the years subsequent to the date of our letter of 1836, we restricted the supplies of copper for which you applied, again pressing upon your attention the object that we had so pointedly brought to your notice.

33. We observe, from a statement inserted in a previous paragraph, that in the three years nearest to the date of the despatches which we have quoted, the average value of copper coin fabricated was reduced to 2,87,130 rupees. But in the last three years of which we have the accounts, that average had risen to 5,45,411 rupees, being nearly double the former amount.*

34. We

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* Value of Copper Coinage.

| | |
|---|---|
| 1835-36 | Rs. 2,39,860 |
| 1836-37 | 1,45,000 |
| 1837-38 | 4,76,531 |
| | 8,61,391 |
| Average | Rs. 2,87,130 |
| 1844-45 | Rs. 4,25,059 |
| 1845-46 | 6,89,665 |
| 1846-47 | 5,21,509 |
| | 16,36,233 |
| Average | Rs. 5,45,411 |

| Number of Copper Coins Fabricated. | |
|---|---|
| 1843-44 - - - | 36,628,664 |
| 1844-45 - - - | 27,203,813 |
| 1845-46 - - - | 39,844,867 |
| 1846-47 - - - | 22,024,390 |
| | 125,701,734 |

34. We cannot but entertain the apprehension that the intention expressed by you to confine the use of copper money within the narrowest possible limits, and our injunctions against an excessive issue of that coin have not sufficiently been borne in mind, when we observe so greatly increased an amount of coinage continued in successive years, and when we also observe the large and increased quantities of copper coin returned to the Mint, and sold as old metal.

| Coins returned, to the Mint as "Defaced and cut Pice." | |
|---|---|
| 1841-42 - - - | 913,582 |
| 1842-43 - | Not stated in tale. |
| 1843-44 - - - | 1,583,844 |
| 1844-45 - - - | 4,093,438 |
| 1845-46 - - - | 6,287,226 |
| 1846-47 - - - | 4,892,041 |

35. We desire to be informed through what channels these coins, the whole described as "defaced and cut pice," have reached the Mint, and what generally is their condition as coin when they are sold; as also to what causes you ascribe so large an increase of the amount in late years. We likewise direct that you will institute a strict inquiry into the present condition of the copper coinage, and that you will inform us what are the regulations under which the copper coinage is circulated, whether issues are only made to meet the public demand, and whether there exists a facility of returning a superabundance of this coin to the Government at its full value; and further, whether any evidence exists of the copper coins being depreciated in the market, either at Calcutta, or in the principal marts of commerce in the provinces, by their being sold for silver below their nominal value. If the coinage be found either to be in a depreciated state, or to be circulated under circumstances which do not secure it from depreciation, then we must repeat the caution which we strongly expressed in our Despatch to Bengal in this department of the 16th May last, against an undue encouragement of the issue of copper money, and again urge upon you the propriety of issuing, as one means of keeping down its amount, the smaller silver coins, which represent fractional parts of the rupee. The value of these coins fabricated during the last six years appears, according to the statement in the margin, to be of small annual amount.

| | Quarter Rupees. | Two Anna Pieces. |
|---|---|---|
| | *Rs.* | *Rs.* |
| 1841-42 - | None. | 50 |
| 1842-43 - | 6,14,683 | None. |
| 1843-44 - | 2,24,133 | None. |
| 1844-45 - | 3,60,770 | 90,593 |
| 1845-46 - | 3,40,607 | None. |
| 1846-47 - | 2,04,249 | 84,941 |

36. We wish further to be informed to what extent the copper coin fabricated has been put into circulation, and also why the lowest denomination of copper coin, the single pie, one of the most useful, as it may be presumed, to the native population, is not circulated; we conclude that it is not, from the omission of coin of that description from the returns of coinage fabricated.

37. Recurring to the results of the whole of the coinage, we must not lose sight of the fact that the coinages of gold and silver would have proved a serious charge to the Government if they had been the only operations conducted in the Mint in 1845–46 and 1846–47. The time must arrive when the demand for the copper coinage will subside, or perhaps in a great measure cease, and then it would appear that the Mint will be a charge to the State. This, we conceive, ought not to be, and it will therefore be proper to consider beforehand the means by which such a contingency may be prevented.

38. The duty of two per cent, on silver bullion is levied for the express purpose of defraying the expense incident on its conversion into rupees. The merchant brings his bullion to the Mint, and receives as many standard rupees as it will produce, after a deduction of two per cent. on account of coinage. But we will suppose that the expense of the manufacture of the bullion into rupees is three instead of two per cent., then unquestionably the merchant obtains one per cent. more than he can justly claim, while the whole of the rupees coined from his bullion pass at one per cent. less than their actual cost.

39. From these premises we would deduce that the duty on bullion might with propriety be raised, if the existing duty be insufficient to defray the expense of the coinage. In the last two years, if no coinage of copper had been carried on in the Mint, the Government must have incurred the heavy loss of 1,63,688 rupees, not including interest on the cost of the new Mint. The loss specified would have been covered by an extra duty of ¾ per cent. on silver bullion. The profits of the copper coinage have, it is true, more than balanced the losses on the other operations; but, as we have before observed, these profits may be counterbalanced by subsequent losses, if, as in former years, any large amount of coin should

should be withdrawn, and the time must arrive when the demand for copper coin must cease, or be greatly diminished.

40. The points for consideration, if the imposition of a higher rate of seignorage should eventually be deemed to be expedient, are the effect which it would have on the existing circulation, by encouraging the fabrication of counterfeit coins, on the importation of bullion, and on the exchanges; and on all these points we should be glad to receive your opinion.

41. In connexion with the question of Mint profit and loss, we deem it essential to press upon you the importance of conducting the coinage at the smallest charge consistent with its creditable execution. The large copper profit of late years was naturally calculated to induce less watchfulness in this respect. The annexed statement, showing the losses per cent. on the value of the coinage since 1835–36, suggests the probability that such has been the case. It will be observed, that the increase of late years has been large, partly owing to an error of account, the Mint Master having reckoned, as an actual loss, the difference between the price of the old pice sold as copper, and the value at which they were issued as coin. But independently of this difference, which in the last two years amounted to about four annas per cent. per annum, there has been a greater loss on the coinage of those years as compared with the earlier operations. This is especially perceivable in the silver melting loss, which in 1845-46 was 10 pies per cent. more than in 1835–36, and which last year exceeded the loss of 1836–37 by no less than one rupee and five pies per cent. on the quantity melted.

OPERATIVE LOSSES.

| | Rate per Cent. on Value of Coinage. |
|---|---|
| | *Rs. a. p.* |
| 1835-36 | – 6 $1\frac{13}{17}$ |
| 1836-37 | – 4 $6\frac{7}{8}$ |
| 1837-38 | – 6 $2\frac{4}{5}$ |
| 1838-39 | – 6 $11\frac{43}{64}$ |
| 1839-40* | – 7 $11\frac{7}{10}$ |
| 1840-41 | – 7 $1\frac{23}{192}$ |
| 1841-42 | – 7 $11\frac{41}{96}$ |
| 1842-43 | – 7 $7\frac{4}{5}$ |
| 1843-44 | – 9 $2\frac{5}{100}$ |
| 1844-45 | – 10 $3\frac{93}{100}$ |
| 1845-46 | – 13 $2\frac{27}{100}$ |
| 1846-47 | – 14 $5\frac{3}{10}$ |

42. We have now cursorily reviewed the statements and report of the Mint Committee which accompanied your letter under reply. The general financial result of the whole of the Mint operations, though favourable, is dependent, as we have shown, on the coinage of copper, so that it cannot be taken as any criterion for the future.

43. The importance of possessing a coinage of perfect execution is very evident. We trust to be able before long to transmit to you the new dies for which you made requisition in the early part of last year.

44. We have addressed to you a separate Despatch, regarding the "Parting" experiments recently conducted by Dr. O'Shaughnessy. The loss which resulted from those experiments has necessarily enhanced the charge of the Mint; but it is not necessary that we should now revert to this subject, further than to repeat our conviction of the inexpediency of carrying on speculative operations, for the purpose of testing inventions.

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COPY Financial Letter from the Government of India, dated 7th July, No. 22, 1849.

IN your Honourable Court's Despatch, No. 28 of 1846, dated 21st October, your Honourable Court stated that you were very insufficiently informed to what extent the currency of the North Western Provinces generally, including those on the Nerbudda, had been improved by the various measures affecting it, which had been adopted by the Government of India, and whether any beneficial effect had been produced upon the currencies of the native states immediately contiguous to those districts. Your Honourable Court, therefore, directed that the local officers and the Residents with native powers should be called upon to report on the state of the currency, offering at the same time such suggestions as might occur to them as to the best means of correcting, in the districts with which they were respectively conversant, such of the defects in the currency as it might be in the power of the Government to rectify.

2. Your Honourable Court's instructions were carried into effect, and the several authorities who were consulted have reported on the state of the currencies of their respective districts, and furnished expositions of their views for the improvement or regulation of those currencies for the future.

3. Owing to his Lordship's absence in the North Western Provinces, these papers have not yet been under the consideration of the Right Honourable the Governor General, and the political occurrences that have taken place within the last few months have so materially affected an extensive portion of the question, that much of the information that was previously laid before us is no longer applicable to the existing and altered position of affairs.

4. It is not, therefore, our intention at present, or in the absence of the Governor General, to enter on a discussion of the measures that may be expedient for the better regulation of the native mints and currencies for the future; our object is simply to lay before your Honourable Court a summary of the information that is thus far before us, as to the actual state of the circulation of our own provinces, and the districts contiguous to them, with such brief remarks on the views propounded by the officers concerned as the nature of the inquiry seems unavoidably to call for.

5. We shall less regret the delay that this course will entail, as it is quite obvious to us that no sufficiently comprehensive effort has yet been made to displace the old Furruckabad currency, and this from no want of conviction of the expediency of the measure, but from the fact that our financial embarrassments have hitherto been for the most part too pressing to admit of our proceeding with the withdrawal of the old rupee, excepting in the most gradual manner.

6. With respect to the currency of the North Western Provinces, the information supplied is but brief. The Accountant to the Government at Agra reported, that the old Furruckabad rupees had been almost completely superseded by the new Company's rupees throughout the North Western Provinces, including Saugor and Nerbudda and the Cis-Sutlej territories. He stated that it has not been considered expedient to withdraw the new Mint rupees,* coined under Regulation 7 of 1833, as they were still in high preservation, and were always at par with the new Company's rupees in Ajmere alone, where the old Furruckabad rupee is in free circulation, and there they were at par with the new Company's rupees. But although the Furruckabad rupees had been superseded to so great an extent, he noticed that inconvenience was felt in some parts of the British provinces, from the determined resistance offered by coins of foreign states; that not 20 miles from Agra, in many of our pergunnahs, the Gwalior rupee was in general circulation, to the almost total exclusion of the Government coin, while within the walls of Delhi the money-dealers had, to the present day, succeeded in keeping the Lucknow rupee in circulation, to the exclusion of the Government coin, and that all accounts in that city were kept in the Lucknow rupee. The accountant attributed this state of things to the influence of the money-dealers, who were opposed to all reform, and foremost amongst whom were always to be found our own treasurers and native fiscal officers.

7. The Lieutenant Governor concurred in the first instance in the favourable view of the currency in the North Western Provinces taken by the Accountant, and attributed the salutary change which had taken place during the last 12 years mainly to the large cash remittances made from Calcutta, which had enabled the authorities of the North Western Provinces to maintain continued efforts to withdraw the old coinage from circulation. The information given by the Accountant regarding the circulation of Gwalior rupees in Agra and Lucknow rupees in Delhi, the Lieutenant Governor said was new to him, and he had instituted inquiries regarding it. Subsequently he reported, that the inquiries he had made had fully satisfied him, that the circulation of those rupees was very partial, and the inconvenience attending on it inconsiderable and undeserving of notice. At the same time, however, he added, that he had found reason to modify the opinion he had previously expressed regarding the degree in which the new Company's rupee had superseded the old currencies. On a tour through Rohilcund, towards the close of 1847, he had found the Furruckabad rupee extensively in circulation in the parts of that district furthest removed from the Ganges, and at a discount with the new rupee; this had produced very great inconvenience among the agricultural classes, for the rent being usually paid in Furruckabad rupees,

* This coin is the exact weight and intrinsic value of the present Company's rupee, viz., 180 grains, 165 silver, and 15 alloy.

rupees, and the Government revenue in Company's rupees, it was a constant struggle between the rent payer and the rent receiver who should bear the loss of converting the one coin into the other. The Lieutenant Governor calculated that a supply of not less than 50 lacs of new Company's rupees would be required entirely to displace the Furruckabad coinage.

8. The Lieutenant Governor's views are clearly favourable to the extension, as far as practicable, of the Company's currency into foreign states, and he remarks that the little progress which has hitherto been made to that end, affords no presumption that such will continue to be the case, because hitherto we have been occupied in remodelling the monetary affairs of our own provinces, which are now nearly provided for. The Lieutenant Governor is of opinion that the abolition of the mints of native states may be brought about by indirect means; he says, that if the British Government wishes "to discourage foreign coinages, it would find little difficulty in driving them out of the market." He does not believe that the native states would maintain their mints for the empty honour of distinction, if they found that the coinage was expensive and inconvenient to themselves; he instances that the Government may insist on transactions between itself and all foreign dependent states being in its own currency; its own troops, or foreign troops which it subsidizes, might be paid in British coin, tribute need only be received in British coin (unless otherwise provided by treaty), and loans which the Government gives or receives need only be made in the same currency. But nearly all this has of late years been actually done at Lucknow, and although with considerable advantage to the Government, nothing has been effected in regard to the circulation of the Company's rupee, beyond enabling it to maintain its fair relative position with the local currency in the city of Lucknow; it has not been extended at all beyond the city, and in the city it does not appear to be in demand, except in transactions with the British Government, and by the merchants, for transactions with the Company's provinces.

9. Mr. Thomason further suggests that the Government should take measures to attract as much bullion as possible to its own mints; he calculates that the Government can well afford to reduce their rate of seignorage, either so as just to cover the cost of mintage, or even to risk some loss, and thus to undersell the native mints; and for our own interests a small "seignorage," he says, "if it keeps the mints in full work, is evidently preferable to a high seignorage which does not bring a sufficiency of bullion to the mint." But, in the first place, no profit is now derived from the silver coinage, nor is it at all clear that if the seignorage were to be reduced, the Calcutta Mint would receive any more bullion than it does at present; it is pretty certain that all, or nearly all, of the silver imported into Calcutta, finds its way immediately to the mint. Another point, also, to which Mr. Thomason has not adverted, is, that too low a seignorage, or no seignorage, would defeat a main object of the charge, which is to put an obstacle in the way of melting down the coin of the realm, by giving to it a slightly fictitious value.

10. Mr. Thomason's expectations of increased supplies to the mint are founded, perhaps, on the probable receipts at the various bullion depôts which he would propose to establish* for the purpose of buying up foreign coins; but here, again, the experience of the Agra Bullion Depôt does not show that any great use has been made of such agency by private individuals. From August 1841 to April 1847, silver was brought to it,—

| | *Rs.* | *a.* | *p.* |
|---|---|---|---|
| By private parties - - - - | 4,36,005 | 6 | — |
| By Government, for eventual re-coinage | 51,89,462 | 6 | 9 |

A result that affords but little encouragement for the further extension of such establishments without much caution.

11. We now proceed to analyse the information afforded by the several political officers in regard to the currencies of native states.

12. Lieutenant

* One at Ajmere, and another at Indore, for Central India; also one at Ferozepore or Jullunder, to bring under regulation the currency of the Punjaub.

THE PUNJAUB.

12. Lieutenant Colonel, now Sir Henry Laurence, reports, that before the time of Runjeet Singh the currency of the Punjaub was in a very confused state. Runjeet Singh closed all the mints, except those at Lahore and Umritsir, where was first coined the nanakshahye rupee. He did not, however, proscribe the circulation of the pre-existing coins, and it was only in 1847 that by Colonel Laurence's recommendation a new mint was opened at Rawal Pindee for the express purpose of coining the old rupees, of various denominations, into nanakshahees. When the Company's rupee was first introduced in any numbers into Lahore at the time of Mr. Macnaghten's visit, there was no fixed value for it, and the Sepoys were glad to get 15 or 15½ annas for their rupee; but when the British troops occupied the city in 1846, the shroffs could only make a profit of two annas per cent. by changing Company's rupees, and now the lowest premium which the company's rupee bears with the nanakshahee is *Rs.* 1. 8. per cent. Colonel Laurence speaks of the nanakshahee as the national currency of the Punjaub; it is divided into three series, called the poraneh, coined from 1841 to 1869,* the chulme, coined from 1869 to 1879,† the chilta, coined since 1879‡; the poraneh is at a discount with the chulme of *Rs.* 1. 8. per cent., with the chilta of two rupees, with the Company's rupees of *Rs.* 3. 8.; the chulme is at a discount with the chilta of eight annas per cent., with the Company's rupee of two rupees per cent.; the chilta is at a discount with the Company's rupee of *Rs.* 1. 8. per cent. But all these coins are really of greater intrinsic value than the Company's rupee, and Colonel Laurence traces the cause of the artificial value given to the Company's rupee over the poraneh and the chulme to the fact that neither of those coins are received at the British treasuries, and that, therefore, native merchants wanting bills on the provinces are obliged to take either chilta, nanakshahees, or Company's rupees to the Treasury.

* 1796 to 1814.
† 1814 to 1824.
‡ 1824. *

13. With regard to the difference between the chilta and the Company's rupee, Colonel Laurence attributes it to the circumstance of a premium of *Rs.* 1. 4. per cent. being offered at the treasuries of Ferozepore, Loodianah, and Jullendur, to induce natives to bring Company's rupees to those treasuries in exchange for bills on the provinces; from this cause he says, nothwithstanding that the two coins are placed on equal terms by the Government at Lahore, the Company's rupee bears a premium over the chilta at that place from the demand for it for transmission to the neighbouring treasuries, where the Government is offering a premium for it.

14. Besides calling in all the old coins, and converting them into nanakshahees, Colonel Laurence had also been endeavouring to induce Golab Sing to strike a new coin of the same standard as the nanakshahee, the present Cashmere rupee being seldom worth more than nine annas. He apprehended some difficulty in giving uniformity to the currency of the Lahore State while the Company's rupee entered so largely into the market, and depreciated the native coin.

15. The British Government had already confined the currency in the Jullundur to chiltas and Company's rupees, and had intimated an intention of eventually supplanting the nanakshahees altogether, but in the Punjaub no such design could be openly manifested, as any direct discouragement to the coinage of new nanakshahees would offend Sikh prejudices, and be regarded as a death warrant to the Raj; as the best approach to uniformity, therefore, Colonel Laurence suggested that all the other coins should be got rid of as quickly as possible on both sides of the Beeas. In the Jullundur, Government should receive all the pooranehs and chulnees they could get, and supply their places with an influx of Company's rupees; any such measure would be greatly facilitated, he conceived, by the establishment of a cheap mint at Umballa; the Government would gain largely on the recoinage of the Punjaub rupees, probably more than the expense of recoinage, and if, as proposed, the next settlement of the Jullundur was to be made in Company's rupees, it was absolutely necessary that by some means or other the Government should supply the zemindars with a very much larger supply of Company's rupees than had hitherto been made.

16. With regard to the Lahore State, Colonel Laurence expressed his intention of advising the durbar to act so far in concert with the British Government as to call in all chulnees and poranehs, and to issue new nanakshahees (chiltas); the only difficulty in that case would be to defeat the jobbing of the shroffs, who created

created all sorts of arbitrary distinctions in the currency, making, for instance, a chilta on its becoming the least soiled into a myla chilta at a slightly reduced valuation, and on its becoming actually dirty or bruised, reducing it to the rank of a chulnee. He proposed that the Lahore Durbar should adopt as the simplest and most just the chronological distinction, declaring all nanakshahees, coined since 1879, to be chiltas, and that the British Government should receive and pay them as such; in this way thousands of rupees, which the shroffs had reduced to chulnees, would be brought in as chiltas. The shroffs would of course try their utmost to maintain the old, or invent new arbitrary distinctions, but Colonel Laurence apprehended they would find it difficult to carry their point if the British Government opposed them, for it was not likely that any coin which they received at 16 annas could be long kept down in the market at a lower price.

17. On these views we have only to remark that the annexation of the Punjaub to the British territories has totally altered the circumstances connected with the currency of the province.

Lucknow.

18. The coin in general circulation is the Sumsheir Shahee, according to Prinsep, about 6 *a.* 7 *p.* above the standard of the Company's rupee; a new coinage is generally issued every year, soon after the Mohurrum, when the coinage of the preceding year suffers a depreciation, varying from 1 to 1½ per cent. Formerly all payments were made from the Residency Treasury in Lucknow rupees, which caused a considerable loss to the British Government, owing to the then high premium of those rupees in the Bazaar. Since 1842, however, all payments from the Residency Treasury have been made in Company's rupees, and all payments into the Residency Treasury, in transactions with the Oude Government, are also required to be made in Company's rupees; of late, too, Company's rupees have been received, at a slight discount, at the Royal Treasury. The Company's rupee, therefore, with the Shumsheir Shahee rupee may be regarded as the principal circulating medium in the city of Lucknow, but in the country districts of Oude, it is stated that the Company's rupee has a very limited circulation; and that while the Oude Government continues to coin, it cannot be otherwise; the Resident observes, however, that the introduction of the Company's rupee into Lucknow itself, has been productive of a considerable pecuniary saving to Government, while it has also facilitated mercantile transactions, the Lucknow merchants, in their intercourse with the Company's provinces, being now able to procure bills at par on the different Government treasuries, by paying Company's rupees into the Residency Treasury at Lucknow.

Rajpootana.

19. Colonel Sutherland briefly remarks that all or mostly all of the States in Rajpootana have mints of their own, which appear to afford sufficient coins of their own denomination for all internal transactions, and he is not aware "of any injurious effect produced on the circulating medium of those States, by the abolition of our western mints or that at Saugor." In Ajmere, however, he observes, the agricultural classes having to pay their revenue in Company's rupees, "are, doubtless, subject, like all the people of India, to the fraudulent schemes of native money dealers." Colonel Sutherland says, that whenever the Company's rupee has been introduced in any large quantity for the payment of troops' or establishments, it has disappeared so rapidly as to leave little doubt of its having been recoined into the currency of the country; he apprehends that the time is far distant when it can be hoped to make the Company's rupee the circulating medium in the Rajpootana country, the right of coinage being in the estimation of Native States one of the emblems of sovereignty.

20. Major Ludlow does not agree with Colonel Sutherland in regard to the disappearance of Company's rupees; he says, that in 1902,* about 50,000 Company's rupees were melted down at the Jeypore mint for recoinage in the local currency, but it was done to meet an urgent demand upon a banking firm, and he believes it to have been the only instance within the last few years of any foreign coins having been recoined at the Jeypore mint.

* A.D. 1847.

21. Mr. Greathed, the political agent at Joudpore, enters into some details regarding the currency of the Marwar State; there are three † mints; there is but little coinage on account of the State; parties in want of the local currency bring their silver to the mint for coinage, and are charged a seignorage of 1½ per cent., there is so little dishonest depreciation of the coin that in ordinary exchange

† At Joudpore, Palee, Kuchwan.

Bijishahye rupees, of all dates, pass for the same value; 1,000 Bijishahye rupees assayed in Calcutta, were found equal to *Co.'s Rs.* 995. 6 *a.* 10 *p.*, but, as a local currency, they bear a premium over the Company's rupee, rising at times to nearly 4 per cent. The superior intrinsic value of the Company's rupee does not appear to be acknowledged on the spot, for Mr. Greathed says, that he cannot discover that Company's rupees are ever melted down; he thinks it "clearly established that our rupees do not disappear in the Joudpore mints"; indeed he says that the rupee is very little seen in the Joudpore market, (this probably may be the reason of its being received at a discount), and that in the camel purchases which he has had to effect on account of Government, he has been unable to raise a loan in Company's rupees.

22. Lieutenant Colonel Dixon, the superintendent of Ajmere gives a list of 15 coinages besides the Company's rupee, which are current throughout Rajpootana, of which all but two have their mints still at work. It is curious that Lieutenant Colonel Dixon, the superintendent of Ajmere, the people of which province are supposed from the circumstance of their having to pay their revenue in Company's rupees, to be the greatest sufferers from the presence of numerous native currencies, should be the only officer who openly defends the monetary system of Upper and Central India; he writes thus—

"Putting aside the impolicy, if not the impracticability of closing the mints of our allies, the princes of Rajwara, the question arises, does commerce suffer hindrance or inconvenience from having many in place of one currency? Were all the coins detailed above to be current at one spot, no doubt their diversity and difference of value would cause confusion. Each distinct coinage may be said to have its separate duty to perform. Thus the Bijishahee rupee of Joudpore is alone employed in a portion of Marwar, or on its skirts, in all dealings. It rarely finds its way to Malwa and Meywar. The chiltoree again is chiefly restricted to its own beat, and thus, with the products of other mints, Merchants having occasion to purchase salt at Puckbuddra, in Marwar, arrange their accounts in Bijishahee rupees. If making purchases of opium in Meywar, they are well aware the currency is that of the Chiltoree mint. In a word, the different principalities have their own distinct currencies, and merchants being conversant with these monetary arrangements are always prepared to meet local usages."

23. Supposing the above account to be literally exact, and that the different currencies do not really create greater inconvenience or confusion, than Lieutenant Colonel Dixon would imply, it is after all saying nothing more than that the people have made the best of a bad thing, it affords no proof that they would not be benefited by the introduction of a uniform currency. But Lieutenant Colonel Dixon proceeds further, and advocates the retention of the present system, in behalf of the mercantile community, "the mercantile community," he writes, "have substantial reasons for adhering to the present state of things. They allege that the different coinages in Rajwara are as much a marketable article as opium, cotton, or any other staples of commerce. The value of each distinct coinage is as mutable as any ware in the market. The demand enhances the price, as no inquiry would in like manner deteriorate the value. People commanding capital, purchase one kind of rupees when they are cheap, to sell them at a gain during the season of demand. In the event, therefore, of an extraordinary call for rupees of any currency in the market, the enhanced value quickly produces a supply in the same manner as with any other items of merchandise. To make the kuldar, or Company's rupees, alone current, would be to deprive thousands of the monied interests of their calling."

24. The system thus described by Lieutenant Colonel Dixon is probably the very one which your Honourable Court would most desire to uproot. It is quite true that the mercantile community, that is the shroffs, make their profits by controlling the values of different kinds of coinage, but they are understood to do so at the expense of the people at large. Lieutenant Colonel Dixon concurs with Mr. Greathed and Major Ludlow in doubting the fact of Company's rupees being recoined in the mints of Rajpootana, he says, it is a rare occurrence to fuse kuldars (Company's rupees), and whenever, on extreme emergencies, recourse has been had to a such a measure, the coin selected has been the oblique diagonal milled rupee, coined under Regulation 45; 1803.

25. The

NAGPORE.

25. The currency at Nagpore appears to be tolerably uniform; there are current, six kinds of Nagpore rupees coined at different periods, and one other rupee, called the chandah; they are all of equal weight (83 ruttees) equal to about 155½ grains troy, the quantity of alloy varies, but not greatly; the minimum is 11 ruttees except in the chandah, where it is 9, and the maximum is 16, except in the case of a few coins still extant, which were issued fradulently from the mint during the 2d and 3d year that the country was under the management of the British; most of the coins so issued were recalled at the time, and there are but very few now in circulation. On the whole, the average alloy contained in the several coinages is considered to be so well established as about 11½ ruttees, that they are all received into the Rajah's and Residency Treasuries, and pass current in the bazaars, as of equal worth. There is now only one mint in the Nagpore country; and since 1820 an order has been in force, that each rupee is to contain 11 ruttees of alloy, and it is not supposed that it ever does exceed 11½ ruttees. No money is coined by the Government for its own purposes, but all who wish to have their bullion converted into money, can do so without limit or restriction by paying a seignorage of 1½ per cent. The amount coined is considerable; the return for 10 years from Fuslee 1247 to 1256, A.D. 1839 to 1848, is given in the margin. The amount of silver brought to be coined is *entirely* dependent, Captain Ramsay says, on the rate at which bullion is sold at Bombay.

| | *Rs.* |
|---|---|
| 1247 | 12,47,034 |
| 1248 | 10,18,987 |
| 1249 | 4,68,115 |
| 1250 | 5,46,308 |
| 1251 | 5,80,625 |
| 1252 | 13,47,234 |
| 1253 | 10,59,200 |
| 1254 | 8,20,055 |
| 1255 | 15,86,292 |
| 1256 | 18,05,594 |

The Fusly year 1247 commenced with September 1839.

26. The relative intrinsic value of the latest Nagpore coinage (subsequent to 1830) with the Company's rupee is taken at Nagpore to be 100 Nagpore rupees, equal to *Rs.* 88. 1. 8. Company's rupees. This seems to be far higher than the relative intrinsic value would warrant; for the Company's rupee having 165 grains of pure silver and the Nagpore rupee only 135, 100 of the latter rupees would be equal only to *Rs.* 81. 13. 1. of the former. All payments from the Residency Treasury are made in Nagpore rupees, and there are some singular variations in the rate of exchange. There is a fixed rate of 110¼ Nagpore rupees for 100 Company's rupees, at which all bills drawn upon the Residency Treasury, whether on public or private account, are cashed, and the annual tribute of eight lacs of rupees paid by the Nagpore Rajah to the British Government is received at the same rate. To obtain funds, the Resident draws bills on the Treasuries at Calcutta and Madras to the amount of about 16 lacs annually, receiving Nagpore rupees from the merchants at the exchange of the day. The rate at which the Resident raised money in this way during 1846–47 varied from seven to 13¾ per cent., and gave an average exchange on the whole amount raised of *Rs.* 9. 15. 6. (but the Residency establishment is paid at an exchange of only *Rs.* 9. 9., while the troops again composing the Nagpore subsidiary force are paid at an exchange of 17 per cent.)

27. It will be in the recollection of your Honourable Court, that this concession was made to the subsidiary force by general order, which fixed the rate of issue to the Hyderabad and Nagpore subsidiary forces at 121 Hyderabad rupees and 117 Nagpore rupees respectively per 100 Company's rupees. These rates have since proved to be in some degree incorrect as regards intrinsic par, but it has not been judged expedient hitherto to disturb the decision by which they were adopted.

HYDERABAD.

28. At Hyderabad, like Nagpore, so much approach towards a uniformity in the currency has been made that there is now only one mint at work in the capital itself. Formerly, when there were several mints open in different parts of the country, they were usually under the control of sahoocars and other individuals, who purchased from the Government the privilege of coining, and issued whatever base currency they pleased. There are, of course, therefore, still many different kinds of coins current in the Nizam's dominions differing from each other in value, and even the currency of each kind varying in value. Major General Fraser, as well as every other officer who has furnished a report upon the subject, with the exception of Lieutenant Colonel Dixon, recognises the evil of such a system. "It has seldom," he says, "proved advantageous to any but the sahoocars and shroffs who deal in money changing; and again the existence of mints in Native Indian States irregularly constituted as they are, and the

value of the coin which issues from them, subject to constant fluctuation, is pregnant with abuse, and affords infinite room for the speculations and vicious practices of the native money dealers, who largely benefit themselves, but inflict a proportionate injury on the people of the country."

29. Even in the present Hyderabad rupee, there would seem to be a very considerable and constant variation of standard. The Calcutta Assay Report of Hyderabad rupees in 1844, gave *Rs.* 116. 4. 6. Hyderabad, as equal to 100 Company's rupees; in 1845, *Rs.* 117. 11. 2. Hyderabad, and in 1846; *Rs.* 119. 8. 4. Hyderabad. The rate of exchange at which the Hyderabad troops are paid is fixed still higher, at 21 per cent.; but General Fraser believes that an examination of some depreciated Hyderabad currency must have produced the report from the Resident, upon which this exchange was fixed. General Fraser has no doubt but that the introduction of the Company's rupee, or a local currency of the precise standard of the Company's rupee, would prove of the highest possible advantage.

29 *a*. In 1843, before the other mints had been abolished, he suggested to the Government the expediency of having only one mint at Hyderabad, to be placed under the charge of a scientific British officer, appointed by the British Government, but acting on behalf of the Nizam's Government. Doubting, however, whether the Nizam would willingly consent to such an arrangement, he has proposed as another mode of ensuring a faithful currency, that the coinage should, with the single exception of stamping, be carried on in the Company's mints, that "blank dies of the precise standard, value, &c. of our coinage, with milled and serrated edges, and prepared in every respect to be stamped here with the Nizam's inscription, but to undergo no change whatever in any other way should be sent up from the Calcutta or Madras Mint." The Nizam, General Fraser says, would of course require to retain the usual "legend hitherto stamped on the Hyderabad coins, containing the name and title of the Emperor of Delhi, and the name of the place in his Highness's dominions where the coin is struck."

30. General Fraser apprehended that an arrangement of this kind, to which he thought it not improbable that he should be able to obtain the Nizam's consent, would be but little inferior to the actual introduction of the Company's rupee, provided the money so coined could be made a legal tender in the Company's territory, and the sanction of Government given to its receipt at their public treasuries. The objections to this measure are obvious; in the first place, it is difficult to conceive that the Nizam should prefer it to the one first proposed, for it would, in fact, be practically closing his mint. The proposition is, that the money should be made in the Company's mints, and sent to Hyderabad to be stamped; but, advancing so far, it would be easy to go a step further, and say that we should also keep the native dies, stamp the coins, and send them up complete at once. The idea, however, of the British Government coining different currencies for every Native State throughout India, is scarcely one that your Honourable Court can be likely to entertain.

31. General Fraser states that if Company's rupees have ever been imported into the Nizam's dominions for the purpose of being converted into the currency of the country, the practice can have prevailed but to a very limited extent, for he has ascertained that after deducting the charges of coinage, there can be no gain upon the conversion of the Company's rupee into the Hyderabad rupee, unless a very debased currency indeed were to be issued.

MALWA. 32. Mr. Hamilton says that the Company's rupee is rarely seen in Malwa, except in the bazaars of military stations. The three chief currencies in Malwa are the Hali rupee (Holkar's), the Oojein (Scindiah's), and the Salim Shahee, coined at Pertabghur. The two former are of nearly equal value, and circulate promiscuously. The Oojein is not now coined to any very great extent. The coinage of Hali rupees at Indore, for 10 years, is given in the margin.* The cost of coinage

* 

| | *Rs.* | | *Rs.* |
|---|---|---|---|
| 1836–37 | 3,82,152 | 1841–42 | 1,95,987 |
| 1837–38 | 1,77,481 | 1842–43 | 6,59,809 |
| 1838–39 | 1,02,497 | 1843–44 | 6,68,883 |
| 1839–40 | 1,45,500 | 1844–45 | 13,43,265 |
| 1840–41 | 1,20,102 | 1845–46 | 11,01,460 |

coinage is 2¼ per cent.; the Hali rupee is 3 ruttees* lighter than the Company's rupee; and intrinsically 103¾ Hali rupees are equal to 100 Company's rupees.

33. Mr. Hamilton appears convinced of the fact, that Company's rupees are melted down in large quantities; he does not say where they come from, or whether they are imported for the express purpose, but he speaks of the practice as notorious and of constant occurrence. He says, for instance, that the bullion brought from China is usually melted down at Indore, in the proportion of 100 rupees weight of China silver with 127 Company's rupees, the alligation yielding an out-turn of 227 Hali rupees; but this appears a very strange assertion, for the 127 Company's rupees being intrinsically better than 127 Hali rupees, it follows that the standard of the China silver must be very inferior both to the standard of the Company's rupee and of the Hali rupee, for if the China silver was, as it invariably is found to be in Calcutta, better than the Company's standard, 100 rupees weight of such silver with 127 Company's rupees, would yield very considerably more than 227 Hali rupees. Again, Mr. Hamilton says, that 100 Company's rupees are equal to 103¾ Hali rupees; and he adds, whenever by the course of exchange 100 Hali rupees equal 101¼ Company's rupees, the latter are melted down and converted into Hali's; but he does not say how frequently this happens, or under what circumstances it happens; and in a previous part of his letter he would seem to imply that Company's rupees do not enter into the monetary transactions of Malwa at all. "The Company's rupee is seldom seen in Malwa, except in the bazaars of our military stations;" and again, "the Company's rupee is hardly known in Malwa."

34. The Salem Shahee rupee has a very extensive circulation, being the currency in which opium contracts are generally made; and yet Mr. Hamilton declares it to be "a most debased currency, always varying in value according to the rapacity or the corruption of the mint contractors at Pertabghur."

35. Mr. Hamilton is deeply impressed with the evils resulting from the various native currencies, and the remedy which he proposes resembles in its principal features that suggested by General Fraser; he says, that "although the British Government cannot abolish the mints of Native States, it is easy to get charge of them; and that by taking the superintendence of the mints into their own hands, a currency might be introduced uniform in standard with that of our Provinces, and differing only in the stamp on one face; the rupee of each state should have on one side one rupee, like the Company's coin; but on the other, the name of the state to which it belonged. The steps which he would propose for carrying out such a measure are not very clearly explained by Mr. Hamilton; he says that which would be necessary would be to furnish dies from Calcutta or England, with one or two stamping machines worked by the hand.

* * * * * * * *

"The die and the stamping machine would be sufficient for every purpose, all other processes being performed by native means and appliances as at present." It can only be an oversight, that Mr. Hamilton has omitted all mention of the important process of alligation with the previous and subsequent assays, in order to ensure an accurate and uniform standard; he cannot mean that that is one of the processes which may be performed by native means, as at present. It is perfectly certain that nothing could be a sufficient guarantee at a native mint for a faithful observance of a given standard, except the measure first proposed by General Fraser, namely, the presence of a skilful European assay officer. Mr. Hamilton, however, contemplates that hereafter, when the means of communication become rapid, the rupees of Native States may be coined by us at the Presidency mints and sent up for issue; and, in any case, he thinks it would be proper to make all rupees coined at a native mint under our superintendence, a legal tender at every public treasury. This would be precisely, in effect, to defeat the great object of the British Government, one uniform currency for the whole of India.

36. Lieutenant Colonel Sleeman conceives the evils of the monetary system prevailing in Central India to be very great; he gives a list of 33 different coins, besides

SAUGOR and NERBUDDA TERRITORIES.

* About 5½ grains troy.

besides the Company's rupee, which are current in Central India; they vary in weight from 11.4 to 10.2, in intrinsic value from 16 annas to 11 annas, and in the market from 17 annas to 11 annas; most of these currencies still have their respective mints at work, but some of them are only at work by sufferance. The Bundlecund chiefs, Lieutenant Colonel Sleeman states, were always told that they were not considered to have any right to coin, and were directly prohibited from doing so at the time the Saugor mint was established; a few of them have continued to coin of late years, because it was not thought worth while to enforce the prohibition when the Saugor mint was abolished, and there were no longer any adequate means for absorbing the old coins and substituting the new. These chiefs are all ready to close their mints whenever they are ordered to do so; but they represent that now that there is no mint at Saugor to supply the wants of the country with the Company's rupee, that it would be a great hardship upon the people were they compelled to do so. In Gwalior there are no fewer than 10 mints at work, nine of which, Lieutenant Colonel Sleeman is of opinion, should certainly be closed at once. With regard to a general substitution of the Company's rupee throughout Central India, Lieutenant Colonel Sleeman does not seem to think that any very great obstacles exist to carrying out such a measure; writing in 1847, he says, "The present moment seems particularly favourable for a negotiation with the native chiefs for the abolition of the whole of their mints, if our Government is prepared to adopt the means of abolishing all the present currency, and supplying the country with one uniform one in its place. An equivalent might be offered in the average return from the different mints for the last 10 years. The Gwalior, Indore, and Nagpore States might, perhaps, be induced to relinquish the privilege of coining altogether, without any such equivalent, in order to aid the paramount power in effecting a work of so much importance and benefit to the people; and if they did so, all the smaller states would follow the example."

37. If the Government should not be prepared to adopt the measures necessary for abolishing the present currency and supplying the whole field with its own rupee, Lieutenant Colonel Sleeman would advocate the same scheme as that put forward by Mr. Hamilton and Major General Fraser, namely, to induce the chiefs to coin rupees of the same precise weight and intrinsic value as ours, and no other, and to have no more than one mint in each state, where there may now be many. Lieutenant Colonel Sleeman does not enter into the details necessary for carrying such a measure out, but it may be inferred that he thinks the chiefs may be left to themselves to conduct the coinage, if they will only undertake to promise that it shall preserve a certain uniform standard; he does not, however, go the length of Mr. Hamilton and General Fraser, in proposing that the currencies so conducted shall be received at the British treasuries on equal terms with Company's rupees. There can be no doubt that the British Government might exert its influence over the several native chiefs of India, to get them to agree each to have but one mint, and each to coin rupees of the same value, absorbing as fast as they could all the present currencies; and this, to a certain extent, would be an advantage, though not a complete correction of existing evils, for it is not so much the various currencies being intrinsically of different values which causes inconvenience, as the having so many different currencies at all.

38. If the Lucknow rupee and the Nagpore rupee were of precisely the same intrinsic value, they still never could maintain the same value in the market. At Nagpore a man would have to pay for getting his foreign coin, the Lucknow rupee, changed into the currency of the country, and the same also at Lucknow with the holder of the Nagpore rupee. But besides this legitimate distinction which would exist between the coins in the market, it is notorious that the shroffs of India will always endeavour to create artificial and arbitrary distinctions whenever it is possible to do so. Nothing but a perfect uniformity in appearance, as well as in value, will prevent the shroffs from endeavouring to regulate, for their own advantage, the values of different currencies; nay, it is seen that even a uniformity in appearance does not always avail. Two cases, strikingly in point, have appeared in this correspondence, the circumstance noticed by Lieutenant Colonel Lawrence, of the distinction which the money changers at Lahore have established between a chilta and a myla chilta; and again the fact which is mentioned

mentioned with regard to the Lucknow currency, that on the issue of each year's new coinage, that of the preceding year becomes depreciated in value. So strongly convinced have our own Government always been of the precautions that are necessary in regard to the Company's currency, that they have refrained from marking the coinage of each year with its distinctive date, under the apprehension that even that difference in the outward design of the coin would be sufficient to enable the money changers to establish an ever-varying value in the market between coinages of different years. If the Government and their officers have not exaggerated the extent to which the speculations of the shroffs are carried, then it may perhaps be doubted whether the scheme proposed for bringing to a uniform standard the 30 or 40 different currencies of Upper and Central India holds out the promise of so much advantage as to make it worth while to put a matter in hand, which is of some difficulty and delicacy.

39. But it must certainly be an improvement to have but one mint and one currency in each state, and some beneficial interference might doubtless be exercised in this respect by the British Government, as in Gwalior, for instance, where Lieutenant Colonel Sleeman states that there are now no fewer than 10 mints at work. The Political Resident might be instructed too to urge upon the native rulers to preserve the currency of each state as uniform as possible; but if anything beyond this be attempted, it had probably better be at once the abolition of the native mints, and the introduction of the Company's rupee, for by nothing short of this can the scheme of a uniform currency throughout India be worked out. It is necessary to mention Lieutenant Colonel Sleeman's opinion as to the manner in which this great change ought to be effected, if it be decided that it is expedient to take it in hand at all. He urges most strongly upon the Government the utter impossibility of its being accomplished by means of the Calcutta Mint alone; he advocates the revival of the mint at Saugor, and the opening of two other mints on a similar scale at Agra and Neemuch, or in those neighbourhoods. As regards the mere mechanical capacity of the Calcutta Mint, there is no doubt that it is fully able to supply the whole of this side of India with a silver currency. Were it to be devoted entirely to the coinage of rupees, and could it obtain sufficient supplies of bullion, it could turn out in the year about 6½ crores; but in the three last years the receipts of bullion at the mint have only averaged a little in excess of 1½ crores; of course, in addition to this a considerable yearly supply of native coins, received in exchange for the Company's rupees, would be looked for at the mint, if we were to commence supplying the Company's rupees in large quantities; but on this point again Lieutenant Colonel Sleeman offers a very strong opposition. "The present mode," he says, "of sending all the absorbed coins to the Calcutta mints, even from part of Jalum, which borders on the Jumna river, is attended with great cost, and still greater inconvenience and harassment to the troops. I had lately to send two companies of infantry from Jhansi, 70 miles, to Orae, there to take charge of a batch of this coin, and escort it to Allahabad, and thence to return to Jhansi. This trip took them the greater part of the hot winds, and it has to be repeated more than once every year. What will the duty be if we attempt the same operation in all the districts of Central India, so far removed as most of them are from navigable rivers? Our regiments would be inadequate to the duty in their present strength and numbers." This, however, would be chiefly a question of expense, and it must always be borne in mind, that a change of currency is a measure that takes place once, and once only, and that it by no means follows that it calls for the establishment of mints, for which there might possibly be no employment when the removal of the old currencies had been completely effected. Lieutenant Colonel Sleeman points out that the mint at Saugor, when formerly at work, fully paid its expenses, and was doing much good; he believes it to have been abolished, "because machinery of greater cost and power than was required had been ordered out for the Calcutta Mint, and that the expense would have been too great for its work, without the sacrifice of the smaller mints. The question was, whether these smaller mints should be sacrificed, with all the good they were effecting, or the Calcutta mint should be a failure, or its expense greater than its income. The influence of those anxious to support its reputation was great, and the Saugor and other mints were sacrificed." The official records do not show how far, or whether at all, Lieutenant Colonel Sleeman's conjecture is well grounded; it is a fact, however, that

a Saugor mint was, at the time of its being closed, a source of profit to the Government, and that when the Calcutta mint committee of that day were called on for a report in regard to the expediency of maintaining it, the significant question was asked, whether any profit accrued on the operations of the Saugor mint which would not come into the Calcutta Mint if the former was abolished?

40. The mint committee recommended the closing of the Saugor mint mainly on three grounds; they said that the great extent to which the reformation of the local currency had already been effected, left little more to be done; that the regular traffic of the river steamers facilitated the conveyance of treasure to the Presidency, and rendered the existence of a local mint unnecessary; and lastly, that it was improbable that the Saugor mint would be able to execute the new pictorial coinage then about to be introduced (1835).

41. It is asserted, however, that there still remains a great deal to be done towards the reformation of the local currency in Central India.

42. It may be said, indeed, that little or no progress has been made since 1835 towards the substitution of the Company's rupee in Saugor and Bundlecund, while in regard to the alleged easy transmission of treasure to Calcutta from those provinces, we have Lieutenant Colonel Sleeman's strong opinion, founded upon practical experience, assuring the Government directly to the contrary; whether there were good grounds for the apprehension then entertained in respect of the ability of the Saugor mint to execute the new rupee cannot perhaps be ascertained, but it is not easy to suppose that any great difficulty on that head could be experienced, now if the mint were properly supplied with the necessary means and appliances; one thing is certain, that if it is determined not to re-establish the Saugor mint, and at the same time orders are given for the suppression of the native mints in Bundlecund, measures must be taken to ensure a better supply of Company's rupees than has hitherto been made, for Lieutenant Colonel Sleeman points out very distinctly, the great hardship to which the people of the country would be subjected by the absorption of the old currency without making sufficient provision for an ample supply of the new.

43. Reviewing the question generally as regards the currency of our own provinces, it must be borne in mind that for all practical purposes, so far as the public is concerned, a bullion depôt answers every purpose of a mint, and yet the Agra depôt has had little or no dealing with the public, and offers small encouragement for the establishment of other depôts, still less of mints. The truth is, as we before observed, that from financial pressure little opportunity has been afforded of withdrawing the Furruckabad rupee extensively from circulation, and time is still wanted to effect this object, and to give full currency to the Company's rupee in the North Western Provinces, and in Central India.

44. We are now proceeding gradually, but systematically, with the removal of the old rupee by withholding it as far as is practicable from re-issue from our revenue treasuries, and so vast an amount of the new Company's rupees has recently been thrown into the North Western Provinces for military expenditure, that the inconvenience must be daily diminishing of a want of uniformity in the currency of the British Provinces.

## Extract Financial Letter to the Government of India, dated 18 June 1850, No. 21.

Letter from, dated 7 July 1849, No. 22.
Forwards reports respecting the currency of the North Western Provinces, including those on the Nerbudda, and of the Native States contiguous to those districts.

1. In acknowledging the receipt of this Despatch, we shall only make a few general observations. In the absence of the opinion of the Governor General upon the subject, we should be unwilling to enter at length into a discussion of the various suggestions of our political officers.

2. The reports upon the currency of the North West Provinces, and the Central States of India contain much valuable information, and as respects the provinces which have been long under our Government, are for the most part satisfactory so far as the silver currency is concerned. That of copper requires further investigation

investigation and consideration; it is, however, admitted, that a large amount of the old Furruckabad silver currency is still in circulation there, and you remark, "That no sufficiently comprehensive effort has yet been made to displace it, and this from no want of conviction of the expediency of the measure, but from the fact that our financial embarrassments have hitherto been for the most part too pressing to admit of our proceeding with the withdrawal of the old rupee, excepting in the most gradual manner."

The withdrawal of one currency, and the substitution of another, must of necessity be a gradual work, if the operation be left in its natural course, and you may hope by consistently abstaining from the re-issue of the old currency, at length effectually to introduce in its place, in the districts to which we have referred, the Company's rupee.

3. But as it respects the provinces in Bundlecund, and in the Nerbudda, the state of the currency is very unsatisfactory. The vicinity of so many mints belonging to native powers, and the deficient supply of our own currency, contribute mainly to this result. We observe it to be stated, that the Gwalior State alone has no less than 10 mints in operation; and Colonel Sleeman transmits a tabular statement, showing 33 rupees, besides our own, each differing in intrinsic value from the rest, circulate in those provinces, and in the territories adjacent to them; while Major Dixon enumerates 18 currencies of different kinds, circulating in Ajmeer and the Rajpoot States. The currency in the newly acquired territories in the Punjab and on the Sutlej must be expected to require reform, and the judicious measures adopted by Sir H. Lawrence in closing numerous provincial mints, and establishing one at Rawulpindee, near Attock, for the conversion of the numerous currencies in circulation in those districts into one, seem to have been well adapted for their purpose at the time they were carried into effect, and before we were in possession of the country.

4. This part of the question will, however, particularly require the attention of the Governor General, who has no doubt acquired personal knowledge and experience upon the subject, and the very unsatisfactory condition of the other provinces to which we have referred with regard to their currency, requires also his Lordship's full consideration, with reference especially to the best remedies to be adopted for the correction of the evils and inconveniences pointed out.

5. It will be observed, that the establishment of one or more local mints, on an economical scale, like that formerly existing at Saugor, is a remedy recommended by several of your officers. The gradual introduction and exchange of the Company's rupee for numerous other currencies, is not likely to be accomplished in districts where those currencies chiefly circulate, and where the Company's rupee is but very partially in use. Of the efficiency of bullion depôts for the exchange of coins, you express considerable doubts: the result of the experiment of opening one at Agra, which has exchanged only about 8 lacs of rupees per annum in coin on the average since its establishment, affords little prospect that a sufficient and effective agency will be furnished by that means for the reform and improvement of such a state of currency as that of the Nerbudda provinces.

6. We have no specific information of the condition of the copper currency in the respective provinces to which we have referred. The report of the Accountant of the North Western Provinces upon this point particularly demands attention, as he states that there are not less than 50 kinds of pice in circulation; but the exact districts he alludes to are not specified.

7. We request that the Governor General in Council will give as early consideration as practicable to this subject, for more than three years have already elapsed since we last directed inquiry to be made into the state of your currency, and 15 years since a coinage intended for general circulation under your Presidency was first issued. In the consideration of the question, we desire that particular reference may be had to the various Despatches which we have addressed to your Government upon the subject, especially those dated 16th September 1835, 10th May 1839, paragraphs 33 to the end, and 21st October 1846, and to the proceedings which arose out of those several instructions.

8. With respect to the numerous currencies of native states, the papers show that in many instances inconvenience is occasioned and injury inflicted upon the

poorer classes by the fluctuations in their relative value. Major Dixon, the Superintendent of Ajmere, says, "the mercantile community have a substantial reason for desiring to adhere to the existing state of things. They allege that the different coinages are as much a marketable article as opium, cotton, or any other staples of commerce. The value of each district coinage is as mutable as any ware in the market." He then adduces as an instance that, "people commanding capital buy Chittaree rupees when they are cheap, to sell them at a gain during the season of demand." Again, Mr. Greathed, the Political Agent at Jodhpore (Marwar), writes as follows:—"A thousand Bejeshahee rupees were found on assay at Calcutta to be equivalent to Company's *Rs.* 995. 6. 10.; but as a local currency they bear a premium over our rupees, rising at times to nearly four per cent." "There is a mint for copper coinage at Sojut, which supplies Marwar with the inferior currency. The value of copper coins is variable, and this fluctuation in the currency, in which the poorer classes chiefly deal, must press hardly upon them."

9. We need scarcely say that neither the gain now realised by merchants from traffic in the different currencies, nor the cupidity of the money changers should be allowed to have the least weight in the adoption, as promptly as may be practicable, of effectual measures to put a stop to this state of things, alike injurious to commerce, to our revenue, and to the classes who are entitled to our special protection.

10. It would, undoubtedly, be desirable to introduce a system whereby the coins of the various native states might be equalised in value, and really become what they should be, the measure of the value of other commodities. But at the present time the means are not very obvious whereby such an end can be accomplished. The privilege of coining has been conceded under treaty to many of the native princes, who regard their mints as emblems of sovereignty, which they will jealously and tenaciously retain. We therefore cannot close these mints.

11. It is, however, suggested by certain of your Political Agents, that negotiations might be entered into with the chiefs for the purpose of inducing them to coin rupees exactly similar in intrinsic value, each retaining his own stamp to distinguish them from the Company's rupee, and to abolish all mints but one in each State.

12. We cannot think that the rupee of a native mint would be regarded by the schroffs as on a par with the Company's rupee, even though the weight and fineness of the two coins were precisely similar, a condition moreover of doubtful fulfilment, unless the native mint be superintended by a British officer, in which latter case the coinage would practically be conducted by the British Government.

13. We observe that several of the mints in Bundlecund are open on sufferance only. These may be more easily closed whenever it is thought expedient to do so.

14. Any negotiation upon the subject with native princes having a right to maintain their mints should have in view to impress upon them the expediency of retaining only one mint and one currency, all of the same intrinsic value, for each State, and we agree with you that the "Political Residents might be instructed to urge upon the native rulers to preserve the currency of each State as uniform as possible."

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## Copy Financial Letter to the Government of India, dated 18 September 1850, No. 37.

1. We now proceed to consider the operations of the Calcutta mint for the years 1847–48 and 1848–49.

2. The results of the "gold parting" experiments conducted in the mint by Dr. O'Shaughnessy, being mixed with the returns of the coinages, we shall endeavour to distinguish between the two accounts, and to clear the latter of what does not properly belong to them.

3. The

3. The following amounts of gold and silver bullion have been received into the mint from individuals who have paid duty on the same, namely—

| | Rs. | a. | p. |
|---|---|---|---|
| In 1847–48 | 47,47,406 | 2 | 10 |
| „ 1848–49 | 99,17,034 | 12 | 4 |
| Rs. | 1,46,64,440 | 15 | 2 |

This may be taken to represent the issues in maintenance of the currency (gold and silver) of Bengal and the North Western Provinces of India, during the last two years.

4. In order, however, to show the full working of the mint, there must be added to this amount, *Rs.* 1,46,64,440. 15. 2., the following items, viz.—

| | Rs. | a. | p. | Rs. | a. | p. |
|---|---|---|---|---|---|---|
| The value of worn and uncurrent coins transmitted for re-coinage by Government Collectors, &c., in 1847–48 | 34,44,763 | 7 | 4 | | | |
| Ditto - ditto - in 1848–49 | 52,59,826 | 14 | 9 | | | |
| | | | | 87,04,590 | 6 | 1 |
| Value of gold bullion received from collectors in 1847–48 | 21,470 | 7 | 6 | | | |
| Ditto - ditto - in 1848–49 | 4,884 | 14 | 9 | | | |
| | | | | 26,355 | 6 | 3 |
| Value of gold extracted from silver by Dr. O'Shaughnessy's process | | | | 31,898 | 15 | 9 |
| TOTAL - - - Rs. | | | | 2,34,27,285 | 11 | 3 |

5. Hence it appears that the value of the assay produce of the deliveries of gold and silver bullion and coin (for re-coinage) in 1847–48 and 1848–49 was two crores and 34 lacs of rupees.

6. The actual coinage (gold and silver)* of the two years was as follows, viz.:

| | Rs. | a. | p. |
|---|---|---|---|
| In 1847–48 | 1,02,82,867 | 10 | – |
| " 1848–49 | 1,40,07,969 | 8 | – |
| Rs. | 2,42,90,837 | 2 | – |

The difference between this amount and the bullion delivered for coinage, may be accounted for by the circumstance, that at the commencement of the operations of 1847–48, a balance of more than 37 lacs was in the charge of the mint authorities.

7. The profit on the above coinage, after deducting the operative losses, as given in the margin,† was—

| | Rs. | a. | p. |
|---|---|---|---|
| In 1847–48 | 97,247 | 2 | 6 |
| „ 1848–49 | 1,89,660 | 8 | 2 |
| Profit - - - Rs. | 2,86,907 | 10 | 8 |

Against

* Number of Pieces.

| | | |
|---|---|---|
| 1847–48 | Gold | 10,862 |
| | Silver | 12,158,939 |
| 1848–49 | Gold | 46,980 |
| | Silver | 15,211,580 |
| | | 27,428,361 |

† Operative Loss.

| | Rs. | a. | p. |
|---|---|---|---|
| 1847–48 | 27,312 | 13 | – |
| 1848–49 | 42,122 | 6 | 1 |

Against this, however, has to be placed the charge for maintaining the mint establishment and for stores, which amounted—

| | *Rs.* | *a.* | *p.* |
|---|---|---|---|
| In 1847-48 to | 2,19,552 | – | 7 |
| And in 1848-49 to | 2,37,067 | 10 | 2 |
| | 4,56,619 | 10 | 9 |
| This head of expenditure is still upon a high scale. If the profit of | 2,86,907 | 10 | 8 |
| Shown above, be deducted therefrom, the result is a loss of | *Rs.* 1,69,712 | – | 1 |

8. This loss will be considerably augmented by the addition of the interest for two years on the prime cost of the mint buildings and machinery. Calculating at 5 per cent. the interest upon 28,71,754 rupees, the sum originally expended, the amount is 1,43,587 rupees per annum, or for two years, 2,87,174 rupees; and if this be added, the total loss on the gold and silver coinages is shown to be *Rs.* 4,56,886. 0. 1.

9. Adverting to the returns we find that the value of the copper coinage* struck in the Calcutta mint was—

| | *Rs.* | *a.* | *p.* |
|---|---|---|---|
| In 1847-48 | 4,83,661 | – | 10 |
| „ 1848-49 | 6,14,671 | 3 | 4 |
| | *Rs.* 10,98,332 | 4 | 2 |

10. The net profit upon these coinages, after deducting all charges, is given—

| | *Rs.* | *a.* | *p.* |
|---|---|---|---|
| In 1847-48 at | 2,81,328 | 6 | 1 |
| „ 1848-49 „ | 3,25,181 | – | 10 |
| | *Rs.* 6,06,509 | 6 | 11 |

11. Deducting from this profit on the coinages of copper,† the loss sustained on the coinages of gold and silver, the result is a net profit of *Rs.* 1,49,623. 6. 10, upon the entire operations of the Calcutta mint in the last two years.

12. It hence appears that a considerable loss would have resulted if no copper had been coined in the period under review. It is probable that for a few years to come, a genuine demand may exist for this currency, and so long as this lasts, a large profit will annually accrue to Government. But the profit upon copper coinage is not properly speaking a mint profit. It is the difference between the purchase value of the copper and the nominal value of the tokens into which it is coined, and the mint accounts, as containing the cost of fabricating the coins, should not properly receive credit for a profit so arising. The fear which we have always entertained in regard to the large returns on account of copper profits is, that they are apt to be regarded as a certain balance to the loss resulting from the other mint operations, whether conducted extravagantly or otherwise;

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* Copper Coinage, Number of Pieces.

| | |
|---|---|
| 1847-48 | 35,116,331 |
| 1848-49 | 47,724,328 |
| | 82,840,659 |

| | *Rs.* | *a.* | *p.* |
|---|---|---|---|
| † Profit on copper coinages | 6,06,509 | 6 | 11 |
| Deduct loss on gold and silver coinages | 4,56,866 | – | 1 |
| Net Profit | *Rs.* 1,49,623 | 6 | 10 |

otherwise; and as we anticipate that the time will arrive when the demand for copper will be considerably diminished, and as, independently of this fact, your mint operations in the coinage of gold and silver ought not to be carried on at any time at a loss, we cannot too forcibly bring to your notice the importance of exercising the strictest economy in order to effect the equalisation of the receipts and charges in the gold and silver departments of the mint.

13. In our letter in this department, dated the 8th November 1848, No. 42, we adverted at some length to the question of the copper currency, impressing upon you the importance of considering whether the large issues which had taken place, and upon which a profit was annually realised by Government, were really required by the public, your letter of the 22d March last, No. 18, which we have now before us, replies to our inquiries upon the subject.

14. Since our letter of the 8th November 1848, was written, our attention has been more particularly directed to the state of the currency in the North Western and bordering provinces, and we have addressed you upon that subject in our letter in this department of the 19th June last, in which we have adverted to the unsatisfactory condition of the copper as well as of the silver currency in those provinces, which, under present circumstances must both be supplied from the mint at Calcutta. We are of opinion that it will be desirable to defer any detailed reply to the remarks contained in your letter of the 22d March, on the subject of the copper currency, until we have before us some fuller information upon the subject generally, whereby we may form a more satisfactory judgment upon the question relating to an undue issue of that coin. We requested in our letter of the 8th November 1848, to be informed what are the regulations under which your copper coinage is circulated; but these you have not transmitted, and with reference to the great deficiency of that coinage, said to exist in the North Western Provinces, we desire to be informed what means are used for conveying genuine copper coin to those provinces, or to distant parts of the Lower Provinces, and to what extent they have been, or are usually found available. Observing from the return rendered by your mint master, the very considerable amount of copper coinage annually returned to the mint, and the large proportion of it which is re-issuable, we desire to be furnished with a quarterly return from the year 1832-33, of the quantity of copper coin in deposit in the mint and General Treasury, distinguishing so far as practicable the new coins unissued from those which have been returned to the mint, and are fit for re-issue. This will supply another part of the information required in our letter above referred to, namely, to what extent the copper coin fabricated is put into circulation.

15. We desire that this information may be furnished as soon as it is prepared, without waiting for the reply to our letter of the 19th June last, which reply, however, we should be glad to receive at as early a period as practicable.

16. With regard to the particular descriptions of coin in use, we observe from your letter of the 22d March last, that the single pyce is a very popular coin, and the double pyce most unpopular. The pie piece does not find general favour with the native population, probably on the ground which you mention, namely, that the subdivision of three pies to one single pyce, or 12 pies to the anna, common in Bengal, is disapproved of in other parts of the country, where it is the habit of the people to reckon coins or tokens by fours.

17. You state that the issue of small silver coins (½, ¼, and ⅛ rupee) has been effected so far as practicable, and that the coins are popular. It is optional with parties having demands on the Treasury, to take payment in these coins; and Mr. Udny, the Sub-treasurer, has given in a statement, showing the value of the issues of such coins from the General Treasury, to be 19,50,735 rupees, from December 1846 up to the close of April 1849. They are received, however, with greater favour in the south than in the north of India; their use in the latter being almost entirely confined to the higher classes, by whom they are chiefly employed for distribution, as presents in marriage processions, and on other festive occasions.

18. As the single anna silver piece is not required, and the double copper pyce is alleged to have no circulation, and consequently to be useless, the coinage of these two descriptions may be suspended. But the pie piece being a coin of

account, we think it undesirable to make any alteration in that respect, either in its denomination or in its value relatively to the pyce. At the same time, as it is so evidently desirable to provide the population with a lower denomination of copper coin than the pyce or quarter anna, in order to protect them from the fluctuations and the consequent impositions attending the cowrie circulation, we wish you to consider whether it might not be advisable to fabricate a half-pyce piece, of the value of one pie and a half. Two of those coins would represent the fourth part of an anna, which would probably obviate the objection to a division of the tokens into thirds. If a coin of this description could be brought into extensive circulation, the object forcibly represented by your Accountant and other officers to be so desirable, of substituting a copper for a cowrie circulation, would be much more effectually accomplised than it is at present.

19. We shall now briefly advert to the operations recently conducted by Dr. O'Shaughnessy in the Calcutta mint. At the time that our instructions for the discontinuance of the parting of gold from silver by the electrotype process reached you, a favourable opportunity of making an experiment on a large scale presented itself, and you therefore did not act upon our orders, but permitted Dr. O'Shaughnessy to carry on this further experiment, with a view of fully testing his invention.

20. The results were more favourable than could have been anticipated from the previous operations.

21. The silver subjected to the process was by Dr. O'Shaughnessy's statement Sycee. Total weight, 6,06,389 rupees; and the total value of the silver used was 6,63,964 rupees. The whole was finished in 59 working days, being at the rate of more than 10,000 tolas per day. The gold extracted was at the rate of 14·35 grains per pound troy of silver parted, or *Rs.* 3. 11. 1. per cent. on the value thereof. The operative loss of bullion was 10 *a.* 3⅗ *p.* per cent. The net profit to Government, after making all deductions, was *Rs.* 7,593. 5. 9., or about 1 ¼ per cent.

22. You now submit to our judgment whether it is desirable to reject a process which is proved to be profitable, and you request our final instructions on the subject.

23. Supposing that the capabilities of the process were always fully tested, and that silver, at the rate of 10,000 tolas was "parted" daily, it is estimated that the profit would amount to 1 ½ per cent., or about 52,000 rupees per annum. If the mint was available for carrying on the operations, and if 36 lacs of bullion could be annually provided for Dr. O'Shaughnessy, we believe this amount of profit might be realised under his superintendence. But the inconvenience of conducting the "parting" process in the mint was so prominently set forth by Lieutenant Colonel Greave, whilst officiating as mint master, and by Lieutenant Colonel Forbes, that unless the latter officer is able, after due consideration, to make arrangements for the continuance of the operations in his department without impediment, we cannot sanction their being carried on there any longer.

24. The provision of separate offices and machinery for the purpose, would necessarily occasion expense and greater risk; and though we should not object on this ground alone, there are other reasons which induce us to come to the conclusion to discontinue the operations, unless the mint can as hitherto be made available for them.

25. The success which has attended the last operations was due to Dr. O'Shaughnessy's skilful application of his invention. If, as he himself suggests, anything were to remove him from his present post, it would be very difficult, if not impossible, to find a substitute, who, in this particular department, would be so skilful. The originator of any process is not only generally an adept in its application, but he has a direct interest in its success; his professional character being to a certain extent involved in the result. We therefore think that it is very doubtful whether the certainty of profit from this source could be relied on for a series of years.

26. But granting that all doubts on this head were removed, and that a certain profit of 1 ½ per cent. did result upon the process of extracting from silver the

the latent particles of gold, it is further to be considered whether the merchant would remain contented to receive for his bullion 1 ½ per cent. less than its actual value, after deducting the charge for the cost of coinage. So long as the "parting" was merely an experiment, the case was different; but from the time that the operation is systematically conducted with the authority and under the management of Government, we can neither think that the bullion merchant will allow Government to take the whole of this profit, nor that Government would be justified in retaining it.

27. Upon these grounds, we do not think it advisable to recommence the experiments in a separate department for the purpose, and we direct that, unless it be possible to continue them in the mint, you will order their cessation.

EXTRACT Foreign Letter from the Government of India, dated 7 December 1850, No. 29.

*North Western Frontier.*

122. THE correspondence noted in the margin relates to the calling in gradually of all the different coins in the Punjaub, and substituting the Company's rupee in their place. The detailed instructions issued on the subject from the Financial Department to the Board of Administration for the affairs of the Punjab, will be found among the collection of papers.

Cons. 3 April 1850, No. 183 to 187.
" No. 269 and 270.
Cons. 19 April 1850, No. 234.
List, No. 93.

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EXTRACT Financial Letter to the Government of India, dated 28 May 1851, No. 28.

Letter from, in Foreign Department, dated 7 December 1850, No. 29.

Para. 122. Forwards correspondence relative to the calling in of the coins current in the Punjab, and the substitution of the Company's rupee.

4. IT is computed that there are in the Punjab not less than four or five crores of Nanuckshahee rupees of various dates, besides about 50 lacs of other coins. The total amount to be replaced by the Company's rupee may therefore be roughly stated at five crores.

5. The bulk of the currency is of one description, the Nanuckshahee rupee, a coin which, although averaging in weight only 171·82 grains per rupee, gives upon assay an intrinsic value of Company's *Rs.* 100. 0. 2. for 100 Nanuckshahees. It follows that there will be less than the ordinary inconvenience in adjusting the values of the two coins in exchange, and the Board of Administration remark, that "by fixing the standard weight for all Nanuckshahees at 171·82, and taking them at par, it is presumed that as fair a rule will be adopted as is possible on the whole."

6. The Board of Administration, having considered the question whether a mint should be established at Lahore, or the old coinages be sent down to Calcutta and Bombay, are in favour of the latter plan, and it is deemed necessary that a bullion office should be established at Lahore, to facilitate the receipt of the Punjab coins. It would have been satisfactory to us to have seen the reasons of the authorities who were consulted upon this subject, and to have been informed of the probable comparative expense of the conversion, whether conducted at Lahore, or at the Mints of Calcutta and Bombay, including interest during the period occupied in effecting the change. We conclude that you were convinced upon this important point before you approved of the suggestions of the Board of Administration, and authorised their being carried into effect; but we request to be informed of the reasons for that course being adopted.

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EXTRACT Financial Letter from the Government of India, dated 6 December 1850, No. 61.

70. ON the Sub-treasurer at this Presidency bringing to the notice of Government the diminished market value of the Company's gold mohur, and the tendency which he observed towards a further depreciation of that coin, we remarked that we did not at the time consider it necessary to direct any alteration in the terms on which gold mohurs were receivable into the public treasuries.

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EXTRACT Financial Letter to the Government of India, dated 28 May 1851, No. 29.

Letter from, dated 6 December 1850, No. 61.

70. The Sub-treasurer noticed the diminished market value of the gold mohur, and the tendency towards a further depreciation thereof. It was not, however, at the time deemed necessary to direct any alteration in the terms on which gold mohurs were receivable at the public treasuries.

27. You have acted with discretion in declining hastily to alter the terms upon which the gold mohur is receivable into the public treasuries. The Act, No. XVII. of 1835, expressly declares that no gold coin shall be a legal tender of payment, and though by your proclamation of January 1841 officers in charge of treasuries are authorised to receive gold coins issued from the Government mints at certain specified rates in relation to silver, it is not obligatory upon them to do so, an authority to receive gold, differing widely from a direction to pay silver for deposits of gold. The reply which you gave to the application from the Government of Bombay upon this point, as reported in your mint letter, dated 5th October last, No. 53, was clear and correct.

28. Upon the subject generally we may remark, that as Government cannot determine values, they should abstain as far as possible from interference with them, even nominally. It is optional with you to receive or to reject gold bullion tendered at your mint; and except in case of payment on account of Government demands, there is no legal or moral obligation upon you to receive the gold coins or tokens which for a per-centage you throw into circulation at nominal values. For the public convenience, you may consent to receive them into your treasuries, and to exchange silver for them at fixed rates; but for your security you will decline to continue to receive them at a loss, or in other words, you will refuse to buy gold above its real value, and thus give an undue profit to the merchant at the expense of the State.

29. Whilst, therefore, we are opposed to hasty changes, especially in matters relating to the currency, and are of opinion that at present any alteration would be premature, we counsel you to watch the imports of gold, and the deliveries into the Indian mints, in order that, by observation of the true causes of the depreciation of gold, you may be enabled hereafter, without risk of miscalculation, to adjust the relative nominal values of the mohur and the rupee, if it should be found advisable to do so, for the convenience and accommodation of the public.

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EXTRACT Financial Letter from the Government of India; dated 7 March 1851, No. 12.

Collection No. 2, Mint Cons. 9 August 1850, Nos. 2 to 6.

7. THE papers noted in the margin contain a correspondence with the Government of Bombay on the subject of depriving the local currency at Ahmedabad of its capacity as a legal tender, with a view to the Ahmedabad sicca supee being superseded by the Company's coin.

8. It appeared, however, from the correspondence, that it was the invariable practice of the civil courts in the province of Guzerat to award Company's rupees in satisfaction of decrees at the intrinsic par of value with Ahmedabad rupees, and that debtors perfectly understood this practice, as they were in the habit of forcing merchants who conducted their transactions in the Ahmedabad sicca rupee into court for the benefit of the reduction of 7 per cent. between the Company's and the Ahmedabad rupee.

9. Hence, as the courts of law enforced the discharge of contracts, drawn up in whatever currency, in the Company's rupee only, we were not satisfied without

without further explanation that any particular advantage would result from depriving the Ahmedabad sicca rupee of its capacity of legal tender, seeing it was not shown to be tendered at its intrinsic value at all; and when payment was attempted to be enforced in it, such payment was successfully resisted by recourse to the civil courts.

10. We observed that when a coin was depreciated, and was still a legal tender, there would be a disposition on the part of the holder to get rid of it; but when, on the other hand, a coin having the capacity of legal tender bore a market value greatly in excess of its intrinsic value, it would never be offered at intrinsic par; and this seemed proved in the case of the Ahmedabad sicca rupee, by the understood fact that none of them found their way into the Government Treasuries.

11. We remarked that it necessarily must be so where the coin passed from hand to hand, as the Ahmedabad sicca rupee was said to do, at a premium of upwards of 12 per cent.; and under such circumstances, we did not see the advantage expected to arise from depriving the coin of a legality which was merely nominal, since no holder of the coin would avail himself of it in practice.

12. We added, that there might be peculiarities in this case capable of further explanation, and if so, we should be happy to receive them, to enable us to take the subject into further consideration.

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EXTRACT Financial Letter to the Government of India, dated 2d July 1851, No. 36.

Letter from, dated 7th March 1851, No. 12.

7 to 12. Forward correspondence with the Government of Bombay on the subject of depriving the local currency of Ahmedabad of its character as a legal tender, with a view to the Ahmedabad sicca rupee being superseded by the Company's rupee.

6. IT is a singular fact, requiring explanation, that while the rate of exchange between the Company's rupee and the Ahmedabad sicca rupee is fixed by Government, in accordance with the relative intrinsic values of the two coins, at 7 per cent. against the latter, the market rate should be 5 per cent. in its favour, being a premium of 12 per cent. upon its actual value. The cause of this preference for the old currency is not ascertained, but its effect is seriously felt, not only by those who receive fixed payments in Company's rupees, but by creditors, who, if driven into court for the recovery of claims, are obliged to receive payment in Company's rupees at intrinsic par of obligations contracted in the Ahmedabad currency.

7. It is very desirable to remove the inconvenience arising from this nominal inequality between the two coins. The Government of Bombay suggested that the Ahmedabad rupee should be deprived of its capacity of legal tender. But you did not adopt this suggestion, because you considered that it would be inefficacious, inasmuch as the legality of the Ahmedabad rupee is now only nominal. Though we agree with you that no holder of the coin will in practice tender it in payment below its market value, we think it worthy of your serious consideration, whether you will not adopt the proposal of the Bombay Government, since it might have the effect of inducing merchants to abandon their practice of making contracts in the Ahmedabad rupee. Besides which, the Bombay Government mention "other rupees" as requiring to be declared no longer a legal tender.

8. We shall be desirous to know the result of this expedient, if it should be tried, and we direct that the Bombay Government may be ordered to communicate it for our information.

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EXTRACT Foreign Letter from the Government of India, dated 7th March 1851, No. 10.

113. CERTAIN arrangements made by the Board for transmitting to Bombay all the Punjabee coins that were not required for circulation, were sanctioned by the Governor General; but the Board were enjoined to be cautious in withdrawing from the Punjaub anything beyond the dead currencies.

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EXTRACT Financial Letter to the Government of India, dated 17th December 1851, No. 67.

Letter from, dated 7th March 1851, No. 10.

113. Report that sanction has been given to certain arrangements made by the Board of Administration for transmitting to Bombay all the Punjabee coins that were not required for circulation.

2. IN our Despatch in this department, dated 28th May last, No. 28, we remarked upon the measures which you had sanctioned in view to the withdrawal of the old currencies from the Punjab, and the substitution of the Company's rupee in lieu thereof.

3. It appears from the papers now forwarded that the total amount withdrawn from circulation in the four months, from the 1st March to the 1st July 1850, was of the value of *Rs.* 13,71,796. 5., being at the rate of about 40 lacs per annum. At this rate, if the amount of the local currencies in circulation may be estimated so high as five crores of rupees (which seems doubtful), the operation would not be completed in less than 12 years. But as the Company's rupee obtains greater circulation, the native coin will more rapidly find its way into the Government treasuries. The amount of Company's rupees thrown into the Punjab in the year, from the 1st May 1849 to 1st May 1850, was *Rs.* 81,93,500, which is much in excess of the amount withdrawn from circulation. The grand total of cash in the treasuries of the districts under the Board on the 1st June 1850 is stated to have amounted to *Rs.* 2,04,27,822, and on the 1st July to have increased to *Rs.* 2,12,46,731. 14., of which *Rs.* 1,55,45,020, or nearly three-fourths, consisted of Company's rupees.

10 Nov. 1849. *Rs.* 74,50,912. 1 July 1850. *Rs.* 1,50,10,871.

4. The balances in the Punjab treasuries had been more than doubled within seven months.

5. In the four Cis-Sutlej treasuries the balances amounted to 43,08,040 rupees, of which half the amount lay in the treasury at Ferozepore, although no Nanuckshahee rupees constituted any part of those balances.

6. These large and increasing sums must be greatly in excess of the requirements of Government, and considering the facility with which specie has been supplied to the treasuries of the Punjab, we cannot suppose it necessary to keep in hand so great an amount with a view merely to withdraw the old currencies from circulation.

7. As we have repeatedly in our Despatches for some time past expressed an anxiety that your cash balances should be confined within a more moderate limit, we desire that you will direct the particular attention of your financial officers and of the subordinate Governments to this subject, in order that in the Punjab likewise the balances may be kept at the lowest amount consistent with the requirements of the public service.

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EXTRACT Foreign Letter from the Government of India, dated 2d June 1851, No. 17.

1850:

Cons. 27 September, Nos. 49 to 52. Cons. 4 October, Nos. 56 to 61. 95 and 96. Cons. 25 October, Nos. 29 and 30. Cons. 22 November, Nos. 242 to 251. Cons. 20 December, Nos. 251 and 252. Cons. 27 December Nos. 47 and 48.

List, No. 94.

107. THE correspondence noted on the margin is forwarded in continuation of the papers that accompanied paragraph 113 of our General Letter, dated 7 March, No. 10 of 1851, showing the steps taken by the Board of Administration at Lahore for transmitting the old Punjabee coins to Bombay.

108. In this correspondence will be found a memorandum, submitted by Mr. Melvill, the Secretary to the Board, discussing the question whether the remittance of coin for re-coinage on the establishment of a mint at Lahore, would be the more convenient and ecconomical measure. It had already been decided that the establishment of a mint in the Punjab was not expedient, and the Governor General saw no reason to alter that decision. The papers were, however, transmitted to us by his Lordship for consideration in the Financial Department. For the reasons stated in the memorandum of the Financial Secretary, it appears to us obvious that the establishment of a mint at Lahore

was

was in no way desirable, and in many respects open to objection, and in this view of the case the Governor General concurred.

109. Another question raised by the Board, viz., as to the expediency of forwarding the withdrawn currencies of the Punjab for re-coinage to Calcutta in preference to Bombay, was also referred to us for consideration. For our reasons for considering that it would be more advantageous in a financial point of view to send the silver currencies withdrawn from the Punjab to Bombay than to Calcutta, we beg to refer your Honourable Court to the letter from the Secretary in the Financial Department to the Secretary with the Governor General, dated the 15th November.

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EXTRACT Financial Letter to the Government of India, dated 28th January 1852, No. 6.

Letter from, dated 2d June 1851, No. 17.

107 to 109. Forward correspondence in continuation of that previously submitted, showing the steps taken by the Board of Administration for transmitting the old Punjabee coins to Bombay.

2. THE collection of papers transmitted with these paragraphs contains the correspondence which took place before you decided upon transmitting the Punjabee coin to Bombay for re-coinage, in place of establishing a mint at Lahore for the purpose of conversion. We observe that there was a difference of opinion as to the course which should be adopted. As, however, it was stated by Colonel Forbes, that the establishment of a mint in the Punjab would be attended with an expense of 2,35,000 rupees; and, moreover, that three years would be the shortest period that would elapse before it would be practicable to commence working in the new mint, we are of opinion that your decision gradually to remit the Punjab coins to Bombay for re-coinage there, was judicious upon the ground of economy, and also, because it was the only arrangement which led to an early practical result in the substitution of Company's rupees for Nanuckshahees.

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EXTRACT Financial Letter from the Government of India, dated 26th September 1851, No. 57.

3. THE accountant to the Government of Bengal represented that there appeared to be no enactment which authorised the receipt at public treasuries of short-weight Company's rupees which had lost more than 2 per cent. in weight by wear when tendered by individuals in satisfaction of Government demands, and requested that some law or rule might be passed on the subject, and that he might be permitted to direct the mint master to furnish each revenue treasury with a set of minimum standard weights applicable to the Company's rupee coinage, for the guidance of public officers, and for the protection of the Government against loss.

4. We were of opinion that no legislative Act was necessary for the settlement of the question thus brought under consideration, because short-weight rupees were only meant to be receivable by Government, and not to be made a legal tender with the public, and that for this purpose a simple rule of practice would be sufficient. We therefore resolved that short-weight Company's rupees that had lost more than 2 per cent. from ordinary wear should be received as bullion by weight in all public treasuries, in satisfaction of Government demands without any charge for seignorage.

5. We instructed the accountant to the Government of Bengal to issue a circular to all officers in charge of all public treasuries, authorising them to receive short-weight Company's rupees in accordance with our resolution, and we furnished copies of the resolution to the Governments of Bengal, the North Western Provinces, Madras, and Bombay, for information, and the issue of such further orders as should be required at the several Presidencies.

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EXTRACT Financial Letter to the Government of India, dated 18th February 1852, No. 10.

Letter from, dated 26th September 1851, No. 57.

3 to 5. Orders issued that rupees which have lost more than 2 per cent. in weight, shall only be received into the Government treasuries as bullion, but without charge for seignorage.

2. WE approve this resolution. A question was raised as to the levy of seignorage, but we do not consider that Government would be justified in charging duty upon Company's rupees, tendered in payment of Government demands, which from ordinary wear may have lost more than 2 per cent. in weight.

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EXTRACT Financial Letter from the Government of India, dated 21st August 1851, No. 40.

30. WITH reference to a Despatch from the Honourable the Court of Directors, No. 37 of 1850, dated the 18th of September, on the subject of the Government copper coinage, the accountant North Western Provinces, in compliance with a requisition from the Supreme Government, was called upon to furnish a report thereon in respect to the currency of that coinage in the North Western Provinces, which is submitted with the papers of this case.

31. The annexed abstract statement exhibits the condition of the currency in question in these provinces from 1st January 1845 to 1st January 1851:

| | | *Rupees.* |
|---|---|---|
| New pyce in store on the 1st January 1845 to the value of rupees - - | | 1,38,093 |
| | *Rupees.* | |
| Received from Bengal from 1st January to 30 April 1845 - - | 55,000 | |
| Ditto - - - in 1845-6 - - - - - | 80,000 | |
| Ditto - - - in 1846-7 - - - - - | 60,000 | |
| Ditto - - - in 1847-8 - - - - - | 2,95,000 | |
| Ditto - - - in 1848-9 - - - - - | 2,00,000 | |
| Ditto - - - in 1849-50 - - - - - | 3,15,000 | |
| Ditto, from 1st May to 30th December 1850 - - - | 75,000 | |
| | | 10,80,000 |
| | | 12,18,093 |
| Sent to the Punjab - - - - | | 1,30,000 |
| | | 10,88,093 |
| In store on the 1st January 1851 - | | 4,96,302 |
| Put into circulation - - *Rs.* | | 5,91,791 |

32. A detailed account of the measures taken for the distribution of new Company's pyce to the districts where supplies are wanted, and a notice of the rule which regulates their issue to the public will be found in the accountant's report.

33. In regard to the provision of a half-pyce piece with the object of substituting a copper for a cowrie circulation, as suggested by the Honourable the Court of Directors, the accountant was of opinion that such a coin would be popular, and would prove a great convenience to the public.

34. In order to secure the immediate and complete introduction of the new pyce into those districts and towns where they are most in repute, the accountant proposed the following measures:

1st. To fix by legal enactment the value of the various kinds of pyce at their current market rates, allowing to the money changers the right of charging half a pyce on the exchange of a rupee into pyce, or of a rupee equivalent of pyce into a rupee.

2d. To purchase on the part of Government all the native pyce in any district at their fixed value, allowing a commission of 3 per cent. to shroffs and others for bringing 50 rupees worth and upwards of the old pyce to the treasuries to be changed for new pyce.

3d. To prohibit the manufacture or importation of native pyce.

35. His

35. His Honor was not, however, prepared to recommend the adoption of the measures proposed by Mr. Grant, and remarked, that the current copper coins not of Government mintage, were of numerous sorts, and of uncertain form or composition. It would be difficult to regulate their circulation by official rule, nor was it safe, by attaching penalties to the manufacture or free circulation of such coin, to interfere with the minute monetary transactions of the lower classes, or multiply more than is absolutely necessary the arbitary prohibitions of the law.

36. The copper coinage might safely be left to find its own level under the operation of the general rules which affect all exchange transactions.

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EXTRACT Financial Letter to the Government of India, dated 25th August 1852, No. 43.

Letter from, dated 21st August 1851, No. 40.

30 to 36. Forward a report from Mr. C. Grant, the accountant North Westtern Provinces, respecting the copper currency, with his suggestions thereon.

4. IT appears from Mr. Grant's report that in the six years, from the 1st January 1845 to 31st December 1850, new pyce to the value of 5,91,791 rupees have been thrown into circulation in the North Western Provinces, and that on the latter date a stock of pyce remained in store in the public treasuries in those provinces to the value of 4,96,302 rupees.

5. The measures which Mr. Grant suggested for the purpose of effecting the complete displacement of the native pyce still in circulation, would involve too great an interference on the part of Government with the monetary transactions of the people; and we observe that this was the view taken by the Lieutenant Governor. Independently of this objection, it would, we imagine, be almost impracticable either to define the precise values at which the variety of copper coins which is stated to be in currency shall circulate, or to enforce a law prohibiting the importation of pyce of native fabrication.

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COPY Financial Letter from India, dated 2d July 1852, No. 36.

WE have decided on bringing to the immediate notice of your Honourable Court the peculiar position of the gold coinage in India.

2. By Act XVII. of 1835, of this Government, it was enacted that 5, 10, 15, and 30 rupees gold pieces only should be coined in the Indian mints, and that no gold coin should thenceforward be a legal tender of payment in any of the territories of the East India Company.

3. By a subsequent proclamation, issued on 13th January 1841, officers in charge of public treasuries were authorised to receive freely the gold coins struck under the provisions of the foregoing Act at their denominated value, until they should have passed a certain limit of lightness, when they were to be taken as bullion only, by weight.

4. It is not clear what was the precise object in thus engaging to receive coins which were no longer a legal tender of payment. If the market price of gold exceeded the denominated price of the coin in silver, then it was certain that no gold would be received at all; whereas, on the other hand, if the price of gold fell in the market below the silver denomination of the coin, in that case the Government would be bound to accept payment in a coin that was of no use to it since it was not a legal tender, and could not be re-issued in discharge of public liabilities.

5. The case would have been different had gold been permitted to continue a legal tender equally with silver, for then, though the cheaper metal of the two would have had a tendency to displace the dearer as a currency, still, though gold were the cheaper, the Government would have been on equal terms with the public, for it could equally have made use of its receipts in gold for re-issue.

6. By adopting the course it did of declaring gold no longer a legal tender, and yet undertaking to receive it in liquidation of demands, it laid itself under

the disadvantage of being open to be embarrassed with a coin which was of no use, and must ordinarily have been paid for above its value, since experience has not shown that gold and silver can ever retain so exactly the relative value to each other of 1 to 15 as to circulate indiscriminately as currency without variations of price.

7. This inconvenient result is now forcing itself on our attention and threatens to become still more serious in consequence of the recent discoveries of gold in New South Wales.

8. The quantity of gold in the Indian treasuries at present is upwards of 30 lacs of rupees worth, and the tendency has been gradually, though somewhat slowly, to increase for the last two years. This amount in itself would not have embarrassed us; though obviously, there is no advantage in being in possession of so large an amount of coin of which we can make no use in aid of the public expenditure in India.

9. But we have reason to believe that speculations are already in progress for forming connexions with Australia for the express purpose of bringing up gold when the direct line of steam communication is open next year, in order to take advantage of the Government proclamation of 1841, by which gold is still receivable at 15 rupees to the so-called gold piece; and in this case we run the risk of being seriously inconvenienced by an excessive stock of this metal.

10. It is true that gold might be made use of as a remittance to England in liquidation of a portion of the supply annually required for the service of your Honourable Court's Home Treasury; but as it might then go, not in adjustment of the balance of trade between the East and the West, but only because it was of no use as coin in India, we apprehend that the possibility of so employing it can form no sufficient argument for continuing to receive what, by the existing law, is not a legal tender of payment in this country.

11. Looking at the question in this light, we are of opinion that the proclamation by which gold is now receivable into the public treasuries at 15 rupees to the Company's gold mohur should be withdrawn, and the existing law enforced that declares gold not to be a legal tender of payment in the territories of the East India Company.

12. Unless, therefore, we receive your Honourable Court's instructions to the contrary in reply to this letter, we shall carry our views into effect, as we consider the public entitled to early notice of a change of practice that must materially interfere with their speculations in gold.

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Copy Financial Letter to the Government of India, dated 20th October 1852, No. 52.

1. In your Despatch in this department dated the 2d July 1852, No. 36, you draw our attention to the position of the gold coinage in India.

2. You observe that the effect of the proclamation* of the 13th January 1841, authorising officers in charge of public treasuries to receive freely, at their denominated values, the gold coins struck under the provisions of Act 17 of 1835, has been and is likely to be still more embarrassing to your Government. The extensive discoveries of gold in Australia having had the effect of diminishing its value relatively to silver, holders of gold coin have naturally availed themselves of the opportunity of obtaining at the Government treasuries a larger price in silver than they could obtain in the market; and gold not being a legal tender of payment, you are unable to re-issue the coins so received in discharge

* Officers in charge of public treasuries are hereby authorised freely to receive these gold coins (mohur, half mohur, third mohur, and double mohur) at the rates, until further orders, respectively denoted by the denomination of the piece until they shall have passed the limits of lightness allowed for wear laid down in the annexed table, when they will only be receivable as bullion, and be subject to a deduction of one per cent. for seignorage.

discharge of public liabilities. Hence under the existing practice the flow of gold coin into the Government treasuries is certain to increase with the augmentation of the supply, and the consequent cheapening of gold bullion, whilst your Government will not find it practicable to make any use thereof in aid of the public expenditure of India.

3. Under these circumstances it is obviously important at once to check the receipt of gold into the Indian treasuries, otherwise every kind of speculation in gold will be encouraged to the detriment of Government. But we have never regarded the proclamation of the 13th January 1841 as conveying the interpretation which you give to it. It did not appear to us to impose upon the officers in charge of treasuries an obligation to give silver for gold, but only to authorise them to receive gold in exchange for silver if it suited their convenience to do so. In our Despatch in this department, dated 28th May 1851, we made the following remark with reference to the proclamation in question :—" For the public convenience you may consent to receive them (the gold coins) into your treasuries and to exchange silver for them, at fixed rates ; but for your security, you will decline to continue to receive them at a loss, or in other words, you will refuse to buy gold above its real value, and thus give an undue profit to the merchant at the expense of the State."

4. From the tenor of your present observations, however, we conclude that you hold a different opinion as to the purport of the proclamation of 1841, and that so long as it continues in force you consider it binding upon treasury officers to receive the gold coins in exchange for silver at their denominated values. In this view, we entirely approve of your intention to give immediate notice of the withdrawal of the proclamation, but it will still remain for you to consider the important question, whether it be desirable to continue to denominate the gold mohur as equivalent to 15 rupees, when its real value is shown not to be so great. It may be premature at present or until further and more definite experience has been gained of the extent of the new supplies of gold, to adopt a measure which would alter the monetary denomination ; yet as every day is forcing the subject into prominence, it is well to be prepared to take measures for adjusting the relative nominal values of the rupee and the gold mohur when you may be able to effect it.

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COPY Financial Letter to the Government of India, dated 13th April 1853, No. 13.

Para. 1. WE have received your letter in this department, dated 23d April 1852, No. 25, communicating the information called for in our Despatch of the 18th September 1850, No. 37, with respect to the copper currency.

2. The reports which upon your requisition have been rendered by the mint authorities at Calcutta, Agra, Madras, and Bombay, contain much valuable information.

3. In the 21 years from 1830–31 to 1850–51 inclusive, the copper coinage of the Calcutta mint, computed in single pyce, amounted to 52,18,07,571 pyce, and the total issue was 51,73,73,463 pyce, leaving a balance in the mint on the 30th April 1851 of 44,34,108 pyce. There was also, on the 4th January 1851, a balance of copper coin in the general treasury amounting to 12,25,472 single pyce.

4. In the 19 years from 1832 to 1850 inclusive, the Madras mint coined copper money equal to 10,91,06,517 single pyce, of the nominal value of *Rs.* 17,04,789. 5. 2. The value of the balance of copper coin remaining in the general treasury at Madras in January 1851 was *Rs.* 1.39,655.12. which sum represents 89,37,968 single pyce.

5. In the 21 years from 1830–31 to 1850–51 inclusive, the Bombay mint executed a copper coinage equivalent to 21,48,47,052 single pyce. The balance of new copper coin in the general treasury at Bombay on the 1st January 1851 was equivalent to 156,32,032 single pyce, of the value of *Rs.* 2,44,250. 7. 11.

6. Connecting the above statements, it follows that in the period between 1830–31 and 1850–51, a copper coinage equal to about 84,57,61,140 single pyce has

has been executed in the three Government mints at Calcutta, Madras, and Bombay, and that the balance of current Government copper coin (old and new) in the Calcutta mint and in the general treasuries at the three Presidencies amounted in January 1851 to about 3,02,29,580 pyce. Hence it appears that a copper currency of British Indian mint manufacture equivalent to 81,55,31,560 single pyce, and bearing a nominal value of Company's rupees 1,27,42,680. 10., has been thrown into circulation in the last 21 years.

7. We are aware that this statement must necessarily afford a very imperfect view of the amount of copper coin actually in circulation in India. In all probability, a certain amount of the coinages of the Calcutta mint previous to 1831, as well as those executed before that period at the Benares, Furruckabad, and Saugor mints, may remain in circulation. It is, of course, utterly impossible to ascertain the exact amount of those coinages at present outstanding. The mint master at Calcutta, although the most competent authority, is unable to afford information upon the subject.

8. Besides the copper coinages of the British Government mints, there is also a variety of native copper tokens current in many parts of British India. For example, we are informed that in Behar and Sarun the Gorruckpore pyce is the only copper currency in use; that in Tirhoot and Monghyr, a fabrication of Nepal, partly iron and partly copper, is the only copper coin which obtains circulation; and that in Bhaugulpore the preference is given to a small native pyce. The precise amount of the copper coins of native mintage which have currency cannot be ascertained; neither can it be stated, with any degree of accuracy, what amount of the copper coin issued from the Government mints has been melted, for the purpose of conversion into articles of use or ornament, an element which would necessarily affect any calculation of the amount in circulation. Although this conversion is not likely to have been carried on to any extent at the Presidencies, where copper can be purchased at a rate much below its nominal value as coin, yet we are informed that in the provinces the case is different, and that it is probable that a considerable quantity of copper coin has been there melted down and converted.

9. It is, however, in our view, not only impossible to estimate, with any degree of accuracy, the quantity of copper coin in circulation in India, but even if it were possible to do so, we should not thereby be enabled to lay down any rule for the regulation of the coinage of copper money. We are of opinion that nothing but actual experience can determine what quantity of coin is required for the circulation of India, or of any other country; and that if the issue of the coin is left to be regulated by the demands of the public, and no measures taken, either for forcing it into circulation, or withdrawing it when demanded, no regulation whatever is required. It has appeared in former years, that at times a larger quantity may have been issued than was required; and in your letter of 22d March 1850, para. 7, you quote the remark of the accountant of Bengal, that in 10 districts of the Lower Provinces there is a redundancy of copper coinage. No further information is given on this subject, and we desire that you will put us in full possession of the facts of the case, and explain what are the districts referred to, and the extent to which such redundancy has been carried, and for how long a period it has existed in those districts respectively.

10. With the exception above noticed, it does not appear, from the general tenor of the reports you have received, that, upon the whole, the quantity of copper coin issued has been larger than the circulation will absorb. We observe that, at Calcutta and its neighbourhood, a premium of half a pice per rupee is allowed to certain licensed podars on the issue of copper coins, and a similar allowance of one pice per rupee to the shroffs in the North Western Provinces. It does not appear that any similar allowance is made, either at Madras or Bombay, and we observe, also, that the sub-treasurer is of opinion that the only sound system is to sell the coin at the nominal par rate wherever demanded, and that then the demand of the public would be more equable, the total issues be less, and the premium on such issues saved. It certainly appears to us that the sound system is that the coin should be issued from the mint or the treasuries in the different provinces at its nominal value, on demand, in such sums as may not lead to inconvenience, and should be taken in payment of Government dues, expressed in fractions of the rupee, at its nominal value, as at present, and that this

this simple course is all that is required to maintain the circulation of the coin at its proper amount. Unless there is some reason for continuing this premium to the podars and shroffs respectively, of which we are uninformed, we think that the practice ought to be discontinued.

11. The treasuries in the different provinces ought to be kept adequately supplied with copper coin, and the Government ought in fairness to bear the charge of transport for this purpose. We do not think that any forcible measures should be taken for suppressing native copper coin. If taken at the treasury, it should never be re-issued; indeed only such coin should be issued from the treasuries as it is desired to maintain in circulation, and all other coin received there should be melted down and sold, or re-coined. The apparent gain upon the extensive coinages of copper coin in all the mints in India has counteracted the loss incurred in the coinage of silver money, and this gain naturally constitutes a very strong temptation to its excessive issue; but it is necessary at all times to bear in mind that if an over-issue should take place, the redundant coins will be returned to the Government treasuries at a loss, equivalent to the presumed profit upon them at the time of issue, in addition to the expense of the coinage.

12. The general opinion of the mint authorities and revenue collectors, who have been consulted on the subject, being favourable to our suggestion for the coinage of half pyce pieces, we authorise you at once to commence an issue of this coin. The device on it should be similar to those engraved on the pyce piece, with the necessary alteration involved in specifying its fractional denomination.

13. We do not think it desirable to extend the coinage of, or to endeavour to force into circulation, the smaller silver coins below the two anna piece. The fabrication of these small silver coins is expensive, and there are many objections to them, from their very small size. We are of opinion that there should be a full and fair supply of silver coin of this denomination, and of those above it; but all the purposes of the subordinate currency seem to us to be better attained by the copper coins.

14. The letter from Mr. Bushby, the Governor General's agent in Bundlecund, dated 13th May 1851 (a copy of which was forwarded with the papers regarding the copper currency), has been received by us with much satisfaction, as evidencing that considerable progress has been made in the last few years towards attaining a general uniformity in the silver currencies of Bundlecund, and the Saugor and Nerbudda territory. We observe also with pleasure that Mr. Bushby has taken prompt and active measures for suppressing three manufactories for the fabrication of copper coins, which have been discovered carrying on their unlawful operations in Bundlecund.

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EXTRACT Financial Letter from India, dated 1 August 1851, No. 45.

Court's Letter, No. 37 of 1850, dated 18 September.

Paras. 1 to 13. Submit observations on the operations of the Calcutta Mint, for the years 1847–48, and 1848–49.

3. COPIES of these paras. were transmitted to the mint committee of Calcutta for their information.

4. Copies of these paras. were transmitted to the Governments of Fort St. George Bombay, and the North Western Provinces, and to the mint committee of Calcutta, accountant to the Government of Bengal, and sub-treasurer, with the following general remarks:—

14 to 18. Notice, with remarks, the copper currency of Bengal and the North Western Provinces; direct the preparation of a quarterly return of copper coins in deposit in the mint and the general treasury; and comment on the limited circulation of pie pieces, with a suggestion as to the expediency of coining a half pyce piece.

The mint committee of Calcutta were instructed to prepare the quarterly returns required by your Honourable Court, from the year 1832–33 down to the present date, of the quantity of copper coin in deposit in the mint, distinguishing, as far as practicable, the new coins unissued from those which had been returned to the mint, and were fit for re-issue; they were likewise desired to report on the existing state of the copper currency as regarded Calcutta, and the regulations under which copper coin was issued to the pyce venders, and whether they had reason to believe that the pyce venders exported Company's pyce, to any extent, to the provinces; further, whether they conceived the coinage of half pyce, as suggested by your Honourable Court, would be a

desirable measure, and acceptable to the native community; and if so, by what denomination it should be issued.

The Government of Fort St. George and Bombay were directed to furnish quarterly returns from the year 1832–33 of the copper coins in deposit in the mint and treasury, similar to those required by your Honourable Court from Bengal, and those authorities, and the Lieutenant Governor of the North Western Provinces, were requested to report on the present condition of the copper currency under their respective Governments, what measures were taken for distributing new Company's pyce to the districts where supplies were wanted, under what regulations those new pyce were issued to the public, and whether they were of opinion that the striking of a half pyce piece, as suggested by your Honourable Court, would be a desirable measure, and such a coin acceptable to the native community, and if so, under what denomination it should be issued.

The Accountant to the Government of Bengal was directed to explain what measures were taken to supply Company's pyce to the distant districts of Bengal, under what regulations they were issued to the public, and whether he had reason to believe that the pyce venders in Calcutta exported pyce to any extent to the provinces, and whether, in his opinion, a half pyce piece would be an acceptable coin, and find extensive circulation with the native community.

The Sub-treasurer was desired to prepare the quarterly returns required by your Honourable Court from 1832-33, of the copper coin in deposit in the general treasury, distinguishing, as far as possible, the old pyce from Company's rupees, and to explain the existing regulations under which the copper pyce were issued to the public from the general treasury.

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**Copy Financial Letter from the Government of India, dated 23 April 1852, No. 25.**

In continuation of paras. 3 and 4 of our despatch in this department, No. 45 of 1851, dated 1st August, we have now the honour to lay before your Honourable Court copies of the reports received from the several Governments and authorities upon the points noticed in paras. 14 to 18 of your Honourable Court's Despatch, No. 37 of 1850, dated 5th December, on the subject of the Indian copper currency.

2. We shall notice, in the first place, the reply of the accountant to the Government of Bengal, who reports that the issue of copper coin from the Government Revenue Treasuries is made.

1st. "In satisfaction of demands against Government, expressed in fractions of the rupee.

2d. "For the use of the troops, and for payment of diet money to prisoners whenever required by public officers.

3d. "In accommodation to any party applying for a quantity exceeding five rupees worth in value. In Bancoorah, large sums in pyce are issued through the deputy collectors for payment to the labourers in the mines belonging to the Bengal Coal Company."

3. The receipt of Government copper coin at the public treasuries, the Accountant adds, is regulated by the tender of such coin as bear legible marks of original issue in payment of Government dues, expressed in fractions of the rupee, and accumulations from this source are to a considerable extent remitted by the abkaree, post-office, salt, and stamp departments, to the collectors of land revenue. Besides these ordinary resources of receipt, measures are taken by the Accountant to meet the local demands of public officers for supplies of pyce, as they may be required in aid of the public disbursements, by remittances obtained either from the mint or from treasuries which may be overstocked with copper.

4. The mode in which Government copper coin finds its way into the districts generally, it is stated, may be traced to the ordinary course of trade between each district and those surrounding it, and to occasional importations made by opulent parties concerned in marriage or other stirring ceremonies, as also by travellers on occasions of large fairs or melahs. Considerable importations are likewise made into the province of Cuttack by pilgrims visiting the shrine of Juggernath.

5. As

5. As regards the exportation of pyce from Calcutta to the provinces, it appears that bazaar shroffs and bunnyahs purchase pyce from the Government venders to various amounts of value, and up to 40 rupees worth at a time, and export the coin into the mofussil, wherever a demand exists for it.

6. The Accountant expresses his conviction that (excepting in the province of Behar, where copper coins, the produce of the Government mint, are almost, if not altogether uncurrent) the proposed new copper coin of the value of half a pyce will be found very acceptable to the native community, and obtain large circulation. In this opinion he is supported by the testimony of the collectors throughout Bengal, Orissa, and the Burmese provinces, most of whom are in favour of the coin, while others advocate the introduction of a still smaller piece, or a quarter of a pyce.

7. A large circulation of the half pyce, it is supposed, would diminish the demand for cowries, and lessen or control the fluctuations to which this description of token is liable. But so long as the values of articles are expressible by the cowrie amongst the labouring poor and peasantry of the country, its circulation as currency in their hands cannot be prevented, and its extinction would be felt by them as a positive evil, entailing discomfort and creating discontent.

8. In Behar and Sarun, the Gooruckpore pyce, which consists of lumps of copper, is the only copper currency in use. It circulates also to some extent in Patna. In Tirhoot, Chumparun, and Monghyr, the Lohia pyce, a fabrication of Nepal, partly iron and partly copper, is the only copper coin in circulation. In Shahabad, the Government copper coin is in circulation; but it is not stated whether foreign copper is not likewise in use. In Bhaugulpore the Government copper coin circulates, but preference is given to a small pycé bearing the legend Shah Alum Badshah Jaloos 37, and Ek Pai Sicca, in native characters on the obverse, *i. e.*, Regulation XXV. of 1817.

9. In order to supersede these native fabrications of copper currency, which appear to circulate also in certain districts of the North Western Provinces, the Accountant is of opinion that some combined movement on the part of the Bengal and Agra authorities, would be necessary, and with this view suggests the expediency of the local officers being required to seek the aid of the native shroffs and bunnyahs, in circulating the Government copper coins in the districts referred to, by offering them a small profit of one pyce on the rupee. The attainment, however, of this object must doubtless be the work of time, as the amount of objectionable currency to be displaced is large, and the local prejudices and interests in its favour very considerable.

10. We next proceed to the report of the Sub-treasurer of the general treasury in Calcutta.

11. In explanation of the regulations under which pyce are issued to the public, he refers to the Table noted in the margin*, and remarks that the only sound

* STATEMENT OF ISSUES OF PYCE BY THE TREASURY.

| To whom. | On what Account. | To what Extent. | Under what Orders of Government. |
|---|---|---|---|
| The public - - - | In payment of all demands. | For all fractions of the rupee less than two annas. | Order of Government of Bengal in the Financial Department, of 11 December 1846. |
| Licensed pyce venders - | Under their licences for exchange to public, at par rate of 64 per rupee. | To the extent available at the time of application. | Order of Government of Bengal in the Financial Department, dated 29 November 1837; and Order of Government of India in the Financial Department, dated 24 January 1845. |
| Bank of Bengal - - | For their ordinary business. | As required - - | None. |
| Presidency Paymaster - | For his payments - | Ditto - - - - | None. |
| Treasuries in Bengal Presidency. | For public purposes - | As required and available. | Standing Order of Government, Financial Department, of 5 Nov. 1823, on the requisition of Accountant, Government of Bengal. |
| Treasuries in Agra Presidency. | Ditto - - - - | Ditto - - - - | Special Orders of Government of India in the Financial Department, through Financial Secretaries. |

sound system of issue of the copper coinage is to sell it, at the nominal par rate, to everybody indifferently, and, as far as possible, to the full extent of the demand. He considers that all inducements to decry it for selfish purposes would then cease, and Government be saved the actual charge of premium on the sales, whilst the demand of the public would not only be more equable, but the total issues by Government less.

12. The third report to be noticed is that of the mint master, who observes, that from the secrecy which the licensed pice venders of pice maintain respecting the manner in which they carry on their operations, there is much difficulty in ascertaining how pyce, which are only issued to them in Calcutta, are disposed of, and that in consequence, any information regarding the copper currency must, in so far as they are concerned, be in some degree uncertain, though from concurring reports he has reason to believe that only a very limited portion issued from the mint to licensed podars is circulated in Calcutta, the greater portion being disposed of by them to speculators who convey the coins to the towns and villages in the interior, where they are exchanged for rupees or old sicca pyce. In many parts of the country the old sicca pyce it seems do not circulate, but are brought from these quarters to Calcutta, where they are received at par, and where principally, through the instrumentality of the post-office, such of them as are most worn are returned to the mint, where they are cut up and sold as old copper.

13. It will be seen from the mint master's letter, that from the year 1792 down to the year 1835, in which Company's pyce were first struck, there had been coined at the old and new mints of Calcutta, equivalent to a total of sicca single pyce, 23,91,72,535½; of these there had been withdrawn down to April 1851, and cut and sold as old copper, equivalent in the aggregate to single pyce, 9,87,51,542 1/6, thus leaving in circulation in the aggregate, an equivalent to sicca single pyce 14,04,20,993⅓. In addition to the above-mentioned equivalent of 9,87,51,542 1/6 of single sicca pyce withdrawn from circulation down to April 1851, there were also 5,06,43,985 Trisoolie pyce withdrawn, thus making the total copper coins withdrawn from circulation equivalent to single pyce 14,93,95,527, which, at the time of their withdrawal, were valued at Company's *Rs.* 23,01,018. 9. 6. But if to the sicca copper coinage above enumerated, the coinage of Company's pyce be added, viz., Company's double pyce 77,88,197, Company's single pyce 39,14,26,151; pie pieces 36,64,610, the total copper coinage in circulation, so far as the Calcutta mint is concerned, will be found to have been on the 30th April 1851, equivalent to single pyce 54,86,45,075, which, at 64 pyce to the Company's rupee is equal to *Co.'s Rs.* 85,72,579. 4. 9.

14. With reference to your Honourable Court's suggestion for the coinage of a half pyce, the mint master feels assured that the issue of such a coin will be attended with beneficial results as regards the poorer classes, and be considered desirable by a large portion of the community. He, however, observes, that it must be borne in mind that for each rupee in value, there will be 256 pieces to manufacture, and that such a coin can only be prepared when there is little or no demand for other descriptions of coins.

15. He is of opinion that the half pyce and quarter pyce (if issued), should express the value of the pyce with reference to the pyce or quarter anna, and that they should have on the same side of the piece its proportional value with reference to the anna.

16. The total value of pyce issued through the instrumentality of the podars from the commencement of the licensed podar system in March 1838 to the 30th April 1851, is shown in Statement (C.) to have been Company's *Rs.* 26,14,730 8 9¼, this includes the value of the half pyce per rupee allowed them, amounting to *Co.'s Rs.* 20,260. 12. 9¼, from which, if the value of the half pyce per rupee on the quantity of old sicca pyce delivered into the mint by them at 64½ pyce per rupee, as exhibited in Statement (E.) be deducted, the net cost to Government of the licensed podar system from its commencement to April 1851, will not exceed *Co.'s Rs.* 18,602. 14. 3¼. The mint master has reason, however, to believe, that if the general treasury were allowed to issue in favour of individuals drafts on the mint for pyce, in sums of not less than 50 rupees, all the pyce it could issue, in addition to the gold and silver coinages

constantly in demand, and in excess of the coinages of pyce required to meet the indents of collectors and Government officers, would readily be taken at par, or at 64 pyce for the rupee, in place of at 64½ pyce to the rupee, as now allowed to the licensed podars.

17. The mint committee concur in opinion with the mint master, that the issue of copper coin has not yet reached the full extent of the demand for that description of currency, and that the coinage of a half and a quarter pyce may be acceptable to the public; but with reference to the small size of the proposed new coins, they suggest that the inscription of value on them should be in one language only, and that English.

18. In the North Western Provinces the Lieutenant Governor concurs in the views of the Accountant at Agra, from whose report it appears that 1,38,093 rupees' worth of new pyce were in store on the 1st January 1845, since which date supplies from Bengal to the extent of 10,80,000 rupees' worth had been received, of which 1,30,000 rupees were passed on for the use of the Punjab, leaving in store on the 1st January 1851, 4,96,302 rupees' worth of new pyce, thus showing that up to that date, 5,91,791 rupees' worth had been put into circulation.

19. With regard to the issue of pyce from the treasuries in the North Western Provinces to the public, the rule is to give them freely, and in any quantity, to all applicants, whether in payment of demands or in lieu of their equivalent of silver tendered for them. When, however, the stock of pyce is low, and there is no prospect of receiving a fresh supply at an early date, a sufficient quantity is reserved to meet the demands of the military.

20. In respect to the issue of a half pyce piece, the Accountant is of opinion that such a coinage will be popular, and prove a great convenience to the people, but he suggests that the supply for the North Western Provinces should be limited to 10,000 rupees' worth, and if found to be approved of, further supplies could then be continued to meet the demand. He observes, that he has always found that great discontent is created when two or more kinds of Government coin of the same denomination, are kept in circulation together, and particularly when one coinage is much superior to the other, that the inferior coin is received with reluctance, and remains at a discount. He thinks it desirable, therefore, in introducing a new superior coin, of which the supply is limited, to confine the operation to particular districts, and to complete the displacement of the old coins in those districts before extending the reform to other divisions of the country. With these facts in view, he concentrated a large portion of the new pyce in the Saugor and Nerbudda territories, with the object of calling in the old Trisoolie pyce, which had become the source of much complaint since it came into competition with the new pyce. Ample supplies of the latter are procured from Calcutta for distribution in those districts and towns in which it is most in repute, with the view to supersede the native pice, and as a stimulus to this most desirable end, a bonus of one pice on the rupee is allowed to shroffs who purchased new pyce to the value of 100 rupees at a time, and put them into circulation. A short experience of the working of this measure holds out the prospect of the eventual, though not rapid displacement of the native pyce. In order, however, to secure the immediate and complete introduction of the new pyce into the selected districts, the Accountant strongly urges the adoption of the following plan; viz., 1st. To fix, by legal enactment, the value of all the numerous kinds of native pyce at their current market rates, allowing to the money changers, the right of charging half a pyce on the exchange of a rupee into pyce, or of a rupee's equivalent of pyce into a rupee. 2dly. To purchase on the part of Government, all the native pyce in any district, at their fixed value, allowing a commission of three per cent., to shroffs and others, for bringing 50 rupees' worth and upwards, of the old pyce to the treasuries; to be exchanged for new pyce; and 3dly. To prohibit the manufacture or importation of native pyce. Such a measure would be one of the greatest boons which could be conferred on the people of the North Western Provinces, and appears the more worthy of consideration as the proposition originated with the bankers and merchants of Delhi, who are well acquainted with the evils of the present system, and with the feelings of the people on the subject. It is supposed that the money changers would suffer to some extent from the change, but on the other hand, they would probably realize

a large and immediate gain on the withdrawal of the old pice, and secure to themselves a fixed and fair profit on their future dealings.

21. The displacement of the native coin, the accountant considers, may be effectually carried out in one district after another as quickly as new pyce are supplied from the mint, and in the interim the people would be protected from the arbitrary and fraudulent fluctuations of the coin in which the greater part of their dealings are carried on.

22. The Lieutenant Governor's personal observations on his several tours confirm the views expressed by the Accountant relative to the Government copper pyce, which, in his opinion, are better appreciated the more they are known, and are with more or less rapidity displacing the other copper currencies.

23. The Lieutenant Governor, however, is not prepared to recommend the adoption of the means proposed by the Accountant for regulating the circulation of the current copper coins, not of Government mintage, by official rule. Nor does he consider it safe, by attaching penalties to the manufacture or free circulation of such coin, to interfere with the minute monetary transactions of the lower classes, or multiply more than is absolutely necessary the arbitrary prohibitions of the law. The copper coinage, his Honour thinks, may safely be left to find its own level under the operation of the general rules which affect all exchange transactions.

24. From Madras we have received a reply to our inquiries, based on the report of the Accountant General at that Presidency.

25. On the points noted in the margin,* the Accountant General refers to a previous report of his, dated the 17th February 1849, which has already been laid before your Honourable Court in our Despatch No. 18 of 1850, dated the 22d of March.

26. In respect to the expediency of issuing a new copper token of 1½ pie value, the result of a reference to the several collectors for their opinions leads him to suppose that such a token would be acceptable to the natives; but from the general tenor of all their reports, he is inclined to suppose that it is not much wanted. The coinage of a token of half pyce, or 1½ pie, would, he thinks, be a desirable measure, both for the purpose stated by your Honourable Court, of providing the population with a lower denomination of copper coin than the pyce or quarter anna, and also of obviating the objection of a division of the tokens into thirds, as is the case now with the one pie piece. The use of the pie piece, it is explained, is very limited in the districts of the Madras Presidency, and the Accountant General thinks it desirable to alter its value relatively to the pyce, so as to make it chime in with the native practice of counting by fours, and allow it to represent the 16th instead of the 12th part of an anna, and thus accord also with the mode of computing the small silver currency relatively to the rupee. This measure, it seems to him, would make the pie piece popular; but he maintains, whether an alteration in its value take place or not, that a token of lower value than the pie is wanted, and that one of the value of a half pie, or even a quarter pie, would be preferable to one of 1½ pie; for the lower the value of the token, the more will it benefit the poorer classes, and the greater hope will there be of inducing them to give up the use of the cowrie, the value of which seems liable to very great fluctuations, occasioning loss and inconvenience to the poorer classes.

27. It has been suggested by the assay master that these tokens, whether of half pie or of quarter pie value, might, with the view of distinguishing them readily from the copper tokens, be made of spelter, a proposition which the Accountant General considers deserving of attention, having this advantage, that the coinage will afford a profit equal to that of the copper coinage. The assay master further proposes to denominate the unit of the spelter coinage a cent., to represent the 100th part of an anna, and suggests that there should be tokens of 5, 3, and 2 cents.; and, if necessary, half cent., feeling satisfied that such tokens would in time supersede the use of the cowrie.

28. The

* As to what is the progress of the Government copper currency of Madras, what measures are taken to distribute supplies, and under what regulation pyce are distributed to the public.

28. The statement shown in the margin * is furnished by the Accountant-General, with a view to enable the Government to form some judgment of the value of the copper coins sent to the several collectorates, from the year 1838 up to the 31st March 1851, the amount of each description of copper coin in the respective treasuries, and the difference which may be assumed as the amount in circulation on the latter date. The Government of Madras concurs in opinion with the Accountant General on the desirableness of issuing a half pyce or 1½ pie piece, as providing the population with a lower denomination of copper coin than the pyce or quarter anna; and recommends for consideration his proposition to alter the value of the pie relatively to the pyce, allowing it to represent the 16th instead of the 12th part of an anna.

29. The suggestion of the assay master for making the smaller tokens of spelter, appears to the Government of Madras deserving of consideration in the event of a half or quarter pie piece being determined on; but it considers that his proposal to denominate the unit of the spelter coinage a cent. to represent the hundredth part of an anna, and to supersede the use of the cowrie, is applicable rather to the Bengal provinces where the cowrie is in more general use.

30. From Bombay the reports are essentially those of the mint committee, and they show that the coinage of a one and a half pie (or half pyce piece) is desirable; but from a summary of the opinions of the collectors on the subject, it would appear there is no absolute necessity for any alteration in the copper coinage, the half anna and the smaller silver coins being mostly appreciated. It will be observed, from the documents submitted, that after deducting the total balance of *Rs.* 6,09,896. 9. 6., in the return, No. 4, from the total amount coined, *Rs.* 33,56,985. 3. as exhibited in statement No. 1, *Rs.* 27,47,088. 9. 6. worth of the new copper coin have been circulated, thus showing an increase in the issue of this currency above that reported in circulation in 1848, of *Rs.* 6,47,088. 9. 6.

31. The Government of Bombay in forwarding these papers, suggests, as worthy of consideration, whether the portions of the Upper Provinces adjacent to the Indus and its tributaries, could be more conveniently and economically supplied with copper coin from the Bombay mint than from that of Calcutta.

32. The

* Statement of the Accountant General.

| DISTRICTS. | Amount of Copper Coin sent from General Treasury. | Amount in the Treasury on 31 March 1851. | Difference, being Amount in Circulation. |
|---|---|---|---|
| | *Rupees.* | *Rupees.* | *Rupees.* |
| Ganjam | 68,000 | 10,483 | 57,517 |
| Vizagapatam | 1,04,000 | 23,239 | 80,761 |
| Rajamundry | 1,39,000 | 13,847 | 1,25,153 |
| Guntoor | 350 | 6,588 | — |
| Masulipatam General Treasury | 94,000 | 30,047 | 63,953 |
| Nellore | 1,000 | 467 | 531 |
| Chingleput | — | 3,875 | — |
| North Arcot | 56,500 | 6,319 | 50,181 |
| Bellary | 25,750 | 1,224 | 24,526 |
| Cuddapah | 6,000 | 646 | 6,354 |
| Kurnoul | 23,850 | 1,659 | 22,191 |
| Salem | 34,300 | 4,832 | 29,468 |
| Coimbatore | 36,300 | 1,999 | 34,301 |
| Tanjore | 84,300 | 2,152 | 82,148 |
| Trichinopoly | 67,800 | 18,447 | 49,353 |
| Madura | 53,500 | 4,609 | 48,891 |
| Tinnevelly | 47,000 | 3,938 | 43,062 |
| Mysore | 30,000 | 11,850 | 18,150 |
| South Arcot | 56,000 | 16,721 | 39,279 |
| TOTAL *Rs.* | 9,27,650 | 1,62,944 | 7,75,819 |

32. The quarterly returns of the quantity of copper coin in deposit in the mint, and general treasury in Calcutta, from the year 1832-33, specially called for by your Honourable Court in the Despatch under acknowledgment, together with similar returns from the Governments of Fort St. George and Bombay, form numbers in the packet.

33. The general inference we deduce from the reports we have thus reviewed is, that there is no redundancy of copper coinage, and that although large quantities of old pyce have found their way back into the Calcutta mint, this result is naturally attributable to the superior quality of the new Company's pyce having forced the old and almost defaced sicca currency out of circulation.

34. All reasonable facilities are afforded to the public for obtaining supplies of copper, and the system of licensed pyce venders in Calcutta, affords a complete opening for the return of any excessive issue of copper coins, as these men are equally bound by the terms of their licence to exchange copper for silver and silver for copper. No indication, however, has been shown of any over-issue of copper, but on the contrary, there is reason to believe that the supply of copper coin is still too limited for the general wants of the community.

35. Your Honourable Court will observe, that most of the authorities consulted are of opinion that smaller descriptions of copper coin representing the half and quarter of a pyce would be acceptable to the native public; but a measure of this nature must be experimental only, as there is no strong indication of much demand for such coins. Judging from the result of the issue of the pie piece, or third of a pyce, which has avowedly been almost an entire failure, it must at least be doubtful whether other small coins of a somewhat similar description would find extensive circulation.

36. In connexion with this subject may be noticed the memorial submitted in April last by the Calcutta Trade Association, praying, on behalf of the inhabitants of Calcutta, principally natives, for a coinage of half and quarter pyce, and a larger issue of half and quarter annas. Copy of this memorial, with our reply thereto, has already been submitted to the notice of your Honourable Court, in paras. 51 and 52 of our Letter, No. 4 of 1852, dated 28 January.

37. We solicit the instructions of your Honourable Court as to the expediency of undertaking the coinage and issue of half and quarter pyce pieces.

38. We take this opportunity, with advertence to your Honourable Court's Despatch, No. 21 of 1850, dated the 18th June, to lay before your Honourable Court copy of a report, with enclosures, from the Agent to the Governor General in Bundlecund, on the state of the currencies in Bundlecund and the Saugor territories, and the correspondence which ensued thereupon with the Government of the North Western Provinces.

39. The question of the suppression of native mints, of which the existence is guaranteed by treaty, is surrounded with much difficulty, and we apprehend there is little probability at present of successful negotiations on the subject.

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Copy Financial Letter from the Government of India, dated 4 November 1853, No. 60.

We have the honour to forward herewith copies of our minutes relative to the standard which should be adopted for gold coins in India.

2. The Governor-General and Mr. Lewis are of opinion that it would be a wise measure to revert to the old standard of gold mohur, which was nearly pure, and which is much preferred by the natives of the country to the present standard of 1-12th alloy:

Under no circumstances do we propose to adopt the former device with the former standard, nor to make the coins a legal tender, nor to alter the relative value of gold and silver, when issuing to the public gold coins for silver ones.

3. Mr. Dorin would make no change.

4. With reference to the large amount of gold now lying idle in our mints and treasuries, and to the amount which might be received from Australia, if the coin was popular, we hope to be favoured with the instructions of your Honourable Court, on this point, at an early date.

Copy Financial Letter to the Government of India, dated 22 February 1854, No. 7.

1. We have given our attentive consideration to your letter in this department, dated 4th November 1853, No. 60, in which you recommend to us to alter the present standard of the gold coinage of India (11-12ths pure to 1-12th alloy), by reverting to the old standard, which was nearly pure.

2. We observe that Mr. Dorin and Colonel Lowe do not concur in your recommendation.

3. The primary object of the suggested change is represented to be to facilitate the pending operation on the public debt, by inducing the public to take off the hands of Government the accumulation (about 50 lacs) of gold in the public treasuries, and its ultimate object to give a wider circulation to gold coin in India.

4. These two considerations are coincident, and we need, therefore, only discuss the latter.

5. From the best information we can obtain on the subject, we believe that gold coin, even when a legal tender, has never been much used in India for the purpose of currency. The purity of the former standard may, and doubtless did, give the coin a greater attraction in the eyes of all the wealthier natives, but not, as we believe, on account of its greater usefulness as a coin, but because of the richer colour and more beautiful appearance of the pure gold, and which induced its being hoarded or converted into trinkets and ornaments. Evidence is afforded of this in the fact stated in your secretary's note, that although it is well known that detrition is much more rapid in pure than in alloyed gold, yet Akber's pure gold coins are now found of full weight.

6. If our conviction be correct, the question becomes a much narrower one; for we cannot consider that the important measure of changing the standard of the gold coinage should be adopted with the view of enabling the Government to give greater currency to gold bullion as an article of commerce.

7. It should also be borne in mind that, even for the purposes indicated above, in para. 5, the result of the contemplated change cannot be positively predicated. It is very probable that the taste of the native public for the new Government gold coin would but slowly revive; and in this case, your immediate object would not be attained in the manner which you anticipate.

8. The object of quickly turning to account the balance of gold now in your Treasury might not be more speedily realised by public sale of the gold after it had been run into pure ingots, while the cost of remelting and refinage would be incurred with respect to such of it as consists of coin, or is not pure gold. We do not, however, object to your disposing of it in this way, although we consider that it would be a preferable course that the gold should be remitted to this country in part satisfaction of our requirement from you in the ensuing year; and we authorise you to forward, without delay, as much of the gold balance as you may not otherwise have disposed of, or have thought it necessary to retain.

9. The position of the gold coinages of Madras and Bombay, and the necessity that any change should be general and uniform, are also important points in relation to the question before us, but you have not touched upon them in the papers transmitted with your present letter.

10. Upon the whole, as we cannot discover any direct necessity for the change which you have recommended, we are not disposed to sanction its being carried into effect.

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Copy Financial Letter from the Government of India, dated 17 February 1854, No. 10.

With reference to your Honourable Court's Despatch, No. 13, dated the 13th April last, on the subject of the copper currency in India, we beg to lay before your Honourable Court a copy of the instructions, as noted in the margin,* issued

* Letters 1572 and 1575, to the Officiating Accountant to the Government of Bengal, both dated 13 June 1853.—Letters 1576 and 1573, to the Government of the North Western Provinces, both dated 13 June 1853.—Letters 1574 and 1577, to the Mint Committee at Calcutta, both dated 13 June 1853.—Letter No. 1578, dated 13 June 1853, to Mr. G. A. Bushby, agent to the Governor General, Saugor and Northern Territories.—Letter from the Officiating Accountant to the Government of Bengal, No. 451, dated 7 February 1854.—Letter from the Officiating Accountant to the Government of Bengal, No. 1600, dated 31 December 1853, with an enclosure.

issued by us on the receipt of the Despatch, as also copy of a report from the officiating accountant to the Government of Bengal, submitting the further information called for in para. 9 of the Despatch, and of the orders which we issued to that officer in reply.

COPY Financial Letter to the Government of India, dated 30 August 1854, No. 33.

Letter from, dated 17 February 1854, No. 10.

Report proceedings consequent on receipt of Court's Despatch, dated the 13th April 1853, No. 13, on the subject of the copper currency of India.

1. THE papers now forwarded contain but few points for remark, in continuation of our Despatch of the 13th April 1853, regarding the copper currency.

2. From the explanation rendered by the officiating accountant to the Government of Bengal (Mr. C. H. Lushington), in his letter of 31st December last, it appears that the statement previously made, to the effect that in ten districts of the Lower Provinces there is a redundancy of copper coin, is not founded in fact, as respects the present time, and that the actual existence of such redundancy at any time is doubtful.

3. Mr. Lushington states, that in Bengal and Orissa, and likewise in Assam and Arracan, the Company's pyce are the only copper coinage current, but that the circulation is deficient. With regard to Behar, he mentions eleven districts where the Government copper coinage is scarcely at all current, it being superseded by Goruckpore and Lohya pyce, coins of a rude description, and of fluctuating value, and which, although containing more copper than the Company's pyce, are only exchangeable for the rupee on the following terms; viz., whereas the Company's pyce bear to the rupee the proportion of 64 to 1, the Goruckpore pyce average 80 to 88 per rupee, and the Lohya 96 to 112 per rupee. The quality of the Lohya is stated to be about equal to that of the Government pyce.

4. Much has yet evidently to be accomplished before the population is adequately supplied with a circulating medium suitable to their wants; and the question of the best means of suppressing the native manufacture of copper coin is also to be considered.

5. Mr. Lushington offers the following suggestions with the view of effecting the above objects; namely: first, that Collectors should be allowed to receive Company's pyce to any extent, in payment of Government dues, and to give rupees in exchange for such pyce at the par rate, whenever it may be found convenient to do so; secondly, that half and quarter pice pieces should be coined in place of the pie piece, the last mentioned coin not being popular, probably because it does not accord with the calculations of the natives, which are generally made in fours; and thirdly, that measures should be adopted for ensuring to the people an ample supply of each description of coin in different parts of each district, by lodging a certain quantity in the hands of each moonsiff and deputy magistrate in the interior of the districts for distribution to all applicants at par.

6. We have already authorised you to execute a coinage of half pyce pieces. The consideration of the question of coining a quarter pyce piece had better be postponed until the effect of the issue of the half pyce is ascertained. With regard to Mr. Lushington's other suggestion, we rely on your discretion how far it may be expedient to carry them into effect. We quite believe that the only way in which the Government coinage can effectually supersede all others is, by giving every facility and encouragement to the natives to use it, placing it within their easy reach, adopting those denominations of coin which best suit their requirements and taste, and removing all unnecessary restrictions upon its free circulation, and its realisation in exchange; at the same time, we are doubtful whether it will be desirable to allow the receipt of pyce without limit in payment of Government dues, or the unrestricted exchange of pyce for rupees at Collectors' treasuries. These measures might, we think, result in much inconvenience by encumbering your Treasury with an amount of copper coin not easily put into circulation, and which can only be disposed of at a heavy loss; they therefore require further consideration.

7. We are surprised not to have received from you any opinion in reply to our remarks in para. 10 of our Despatch of the 13th April 1853, regarding the proposed

proposed discontinuance of the practice of issuing the copper coin to the shroffs at a discount of a half pice for each rupee's worth ; and we desire to be informed without delay of your sentiments on that question.

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EXTRACT Financial Letter from the Government of India, dated 23 June 1854, No. 43.

3. THE Government of Bombay, with reference to the correspondence submitted to your Honourable Court, with para. 3 of the letter from this department, dated 3 March 1853, No. 9, intimated their opinion that unless active measures were taken for the suppression of the foreign copper currency in circulation in certain districts under that Presidency, the introduction of the Government coinage was hopeless.

4. We observed in reply that we could not consent to adopt any penal measures for the confiscation of the foreign coinage. We understood that the Government copper coinage had been introduced over the greater part of India without any recourse to coercive measures, and we were sanguine that a similar success would eventually be attained in the Deccan Collectorate. With this object we suggested that a public notification should be extensively promulgated declaring that foreign pice were not a legal tender; that all Government officers were prohibited from either receiving or disbursing other pice than those coined at a Government Mint in all public transactions; and this rule should be circulated to the officers and subordinates of the department of Public Works and of the Commissariat. The diet money of prisoners, the hire of all labourers, and all copper payments should be made in Government pice alone. It would be necessary to have at large towns a sufficient quantity of pice to give in exchange for silver to all applicants who might offer five rupees or more for the purpose ; and Government officers should be directed to receive Government pice to any extent in payment of dues at par rates, and not confine their receipts of pice to fractions of a rupee. Government officers should also be encouraged to give rupees in exchange for Government pice at the rate of 64 quarter annas to the rupee, whenever they could do so without inconvenience. We attach great importance to the facility that would thus be afforded to the exchange of silver and copper either way, as it would keep up the value of Government pice, and create a demand for them ; while foreign pice, not being acknowledged in any way by Government officers, would fall into discredit.

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COPY Financial Letter to the Government of India, dated 11 October 1854, No. 41.

1. WE proceed to notice the operations of the Calcutta Mint for the years 1849–50 to 1852–53 inclusive, as reported in your several letters on the subject.

2. Agreeably to our instructions, the general charges of the Mint have, in the accounts of the last three years, been proportionally distributed between the gold, silver, and the copper coinages. The accounts of the year 1849–50 were, however, made out on the old plan ; but with the view of giving uniformity to our statement of the returns of the series of years, we have apportioned the charges of that year also, between gold and silver and copper.

3. The amounts of gold and silver bullion delivered into the Mint for coinage by individuals who paid duty on the same, were as follows :—

| | | *Rs.* | *a.* | *p.* | *Rs.* | *a.* | *p.* |
|---|---|---|---|---|---|---|---|
| In the year 1849–50. | Gold | 5,11,282 | 11 | 9 | | | |
| | Silver | 1,01,18,173 | 1 | – | | | |
| | | | | | 1,06,29,455 | 12 | 9 |
| 1850–51. | Gold | 7,73,851 | 10 | 3 | | | |
| | Silver | 93,92,846 | 2 | 7 | | | |
| | | | | | 1,01,66,697 | 12 | 10 |
| 1851–52. | Gold | 15,97,219 | 4 | 9 | | | |
| | Silver | 1,93,72,615 | 11 | 9 | | | |
| | | | | | 2,09,69,835 | – | 6 |
| 1852–53. | Gold | 19,08,472 | 13 | – | | | |
| | Silver | 2,66,11,740 | 5 | 8 | | | |
| | | | | | 2,85,20,213 | 2 | 8 |
| TOTAL | | | | *Rs.* | 7,02,86,201 | 12 | 9 |

4. The actual aggregate amount of the coinages of gold and silver in the four years in question was of the value of 7,32,44,096 rupees. The tale of the same was 84,534,529 pieces, as shown in the margin.*

| | Rs. | Rs. |
|---|---|---|
| 1849–50. Duty and other profits on gold and silver coinages | 2,47,891 | |
| 1850–51. Ditto ditto | 4,79,460 | |
| 1851–52. Ditto ditto | 4,44,394 | |
| 1852–53. Ditto ditto | 6,14,455 | |
| | | 17,86,200 |
| Deduct: | | |
| 1849–50. Charges on gold and silver coinages | 2,17,040 | |
| 1850–51. Ditto ditto | 1,82,096 | |
| 1851–52. Ditto ditto | 1,68,079 | |
| 1852–53. Ditto ditto | 2,66,305 | |
| | | 8,33,520 |
| Net Profit Rs. | | 9,52,680 |

5. The cost of these coinages (including operative loss and proportion of general charges and of annual interest on the Mint buildings and machinery) appears to have amounted to 8,33,520 rupees, and the duty and other profits to 17,86,200 rupees, showing a resulting net profit of 9,52,680 rupees on gold and silver. It is proper, however, to mention, that one doubtful item is included in this amount of profits, namely, 2,08,221 rupees brought to account in 1850–51, being duty at 1 per cent. on the Sicca rupees received by Collectors from 1837–38 to 1849–50, under Act XIII. of 1836. Only a small portion of the above sum can belong to the year 1850–51, in which it is credited; but the statements do not show what portion was realised within that year, neither are we informed why the amount on such portions thereof as from time to time accrued were allowed to remain for so many years uncredited to Government in the Mint accounts. We request your attention to this circumstance.

6. Proceeding to the copper coinages, we find that the value of the same in the four years under review was 17,27,564 rupees, and the number of pieces 116,571,391, as shown in the margin.†

7. The cost and charges to be apportioned to this copper coinage amounted to 9,30,198 rupees, and the profits (after deducting the cost of the copper) were 11,53,577 rupees, leaving a net profit of 2,23,379 rupees. The particulars are given in the annexed statement:—

| | Rs. | Rs. |
|---|---|---|
| 1849–50. Profits on copper coinage | 2,04,668 | |
| 1850–51. ditto | 2,09,790 | |
| 1851–52. ditto | 4,46,389 | |
| 1852–53. ditto | 2,92,730 | |
| | | 11,53,577 |
| Deduct: | | |
| 1849–50. Charges on copper coinage | 2,08,529 | |
| 1850–51. ditto | 2,50,941 | |
| 1851–52. ditto | 2,59,611 | |
| 1852–53. ditto | 2,11,117 | |
| | | 9,30,198 |
| Net Profit Rs. | | 2,23,379 |

8. Combining this result with that shown upon the coinages of gold and silver, it follows that the operations of the Calcutta Mint in the four years, 1849–50 to 1852–53,

---

| | |
|---|---|
| * Gold: | |
| Single mohurs | 151,299 |
| Silver: | |
| Single rupees | 66,817,290 |
| Half do. | 3,151,811 |
| Quarter do. | 6,237,195 |
| Eighth do. | 8,176,934 |
| Total Number of Pieces | 84,534,529 |

| | |
|---|---|
| † Double pice | 313,412 |
| Single do. | 113,688,899 |
| Pie pieces | 2,569,080 |
| Total Number of Pieces | 116,571,391 |

1852–53, have yielded a total net profit of 11,76,059 rupees, after allowing interest at 5 per cent. on the prime cost of the Mint buildings and machinery, and which amounts to 1,42,587 rupees per annum. The average net profit in each year was therefore 2,94,015 rupees.

| | |
|---|---|
| Net profit on gold and silver coinages - | 9,52,680 |
| Ditto, copper, ditto - - - - - | 2,23,379 |
| | 11,76,059 |
| Average profit in each year - - - | *Rs.* 2,94,015 |

9. The total net profit of the Mint operations in the four previous years, namely, from 1845-46 to 1848-49 inclusive, aggregated only 2,74,496 rupees, being an average profit of 68,624 rupees per annum. The operations of the last series of years have therefore been conducted at an average higher rate of profit of 2,25,391 rupees per annum, or 1,73,336 rupees per annum, excluding the item of profit adverted to in para. 5 of this Despatch as having been credited in the year 1850–51.

10. But although the general result is so favourable, the rate per cent. of losses and charges on the value of the coinages is large, as will be seen by reference to the following table:—

| | Total Value of the Coinage. | Cost of Coinage, and Charge of Mint Establishment, excluding Interest on Buildings and Machinery. | Rate per Cent. on Value of Coinage. |
|---|---|---|---|
| | *Rs.* a. p. | *Rs.* a. p. | *Rs.* a. p. |
| 1849–50 - - - - - | 1,43,29,753 2 9 | 2,81,982 5 6 | 1 15 5·818 |
| 1850–51 - - - - - | 1,36,74,912 – 2 | 2,89,451 9 5 | 2 1 10 $\frac{7}{18}$ |
| 1851–52 - - - - - | 1,91,41,656 2 7 | 2,84,105 2 – | 1 7 7 $\frac{9}{10}$ |
| 1852–53 - - - - - | 2,78,25,338 7 3 | 3,33,835 13 1 | 1 3 2·352 |

11. The rate of charge in 1849-50 and 1850–51 was apparently large, owing to the comparative smallness of the coinages in those years. The coinages of the two following years increased in amount, and the per-centage of charge is represented at a diminished rate in consequence. The charge in 1850-51, however, appears to be unduly large in relation to the amount coined in that year, and to the charge incurred in 1849–50 for a more extended coinage. We notice also that the operative loss in 1851–52 was reported to be larger than usual, and "pilfering" was one of the probable causes attributed by the Mint Master. This cause of loss requires the special watchfulness of the Mint authorities. Their vigilance should be proportioned to the temptations to dishonesty which the processes carried on in the Mint are calculated to excite.

12. We observe that in the year 1849-50 a large number of quarter and eighth rupee pieces were coined, and again in 1851–52. In the other two years (1850–51 and 1852–53) the coinage of these pieces was not so extensive. Upon the whole, however, a considerable amount of this smaller currency (14,414,129 tale, of the value of 25,81,414 rupees) has been put in circulation in the last four years. In the four previous years, namely, from 1845–46 to 1848–49 inclusive, the tale of the same pieces was only 7,374,738, and their value 14,62,200 rupees.

| YEAR. | Quarter Rupees. | Eighth Rupees. |
|---|---|---|
| | Value in Rupees. | Value in Rupees. |
| 1849-50 - - - | 6,39,272 | 5,76,057 |
| 1850-51 - - - | 1,45,264 | 173 |
| 1851-52 - - - | 4,35,597 | 2,98,434 |
| 1852-53 - - - | 3,39,165 | 1,47,452 |
| TOTAL - - | 15,59,298 | 10,22,116 |

13. Before concluding this Despatch, it may be useful to take a summary retrospective view of the operations of the Mint.

14. In our Despatch dated the 8th November 1848, No. 42, we introduced a statement showing the amount coined in the Mint in each year from 1835-36 to 1846-47. The average value of the same (gold, silver, and copper) was 2,29,13,747 rupees per annum, while the average value of the coinage in the 35 previous years (from 1801 to 1835) was 1,69,97,442 rupees. But we observe that the average value of the coinage in the last six years (from 1847–48 to 1852–53) was only 1,67,26,805 rupees per annum, being less on the average than was coined at any previous period in the present century.

15. We give the particulars in the subjoined statement, comprising three successive periods of six years:—

| | *Rs.* |
|---|---|
| From 1835-36 to 1840-41, value of coinages | 13,61,61,252 |
| Average | 2,26,93,542 |
| From 1841-42 to 1846-47, value of coinages | 13,88,13,721 |
| Average | 2,31,35,620 |
| From 1847-48 to 1852-53, value of coinages | 10,03,60,829 |
| Average | 1,67,26,804 |

16. It will be seen that the total decrease between 1847-48 and 1852-53, as compared with the previous six years, is 3,84,52,892 rupees, being an average decrease of no less than 64,08,815 rupees per annum. The whole of the decrease occurred, however, previously to 1852-53, for in that year the amount coined was of the value of 2,78,25,338 rupees, being considerably in excess of the average of either former period to which reference has been made. The cause of the falling off in the other years is an interesting subject of inquiry, and we request that your attention may be given to it, in view to ascertaining to what extent the late gold discoveries may have influenced the flow of the precious metals into India. It is noticeable that the amounts of gold bullion delivered into the Mint increased in each year from 1849-50, being five lacs in that year; nearly eight lacs in 1850-51; nearly sixteen lacs in 1851-52; and more than nineteen lacs in 1852-53. We conclude that your resolution to refuse gold tendered at the Treasuries has since very greatly checked the deliveries of gold for coinage.

* Number of Pieces coined for India:

| | |
|---|---|
| 1847-48 | 23,913,029 |
| 1848-49 | 32,989,476 |
| 1849-50 | 19,614,155 |
| 1850-51 | 21,757,072 |
| 1851-52 | 45,815,711 |
| 1852-53 | 29,384,453 |

Copper Coins issued to Podars:

| | |
|---|---|
| 1850-51 | 321,210 |
| 1851-52 | 16,625,084 |
| 1852-53 | 19,510,269 |

17. The value of the copper coinages of the last six years shows a small increase in the aggregate, as compared with the two previous periods of six years.* But the fluctuations in the last six years have been very considerable, and the quantity coined in 1851-52 larger, it is believed, than in any preceding year. At the same time the issues to the licensed podars, to which system we particularly adverted, in our letter of the 13th April 1853, as one of questionable policy, were carried to a greater extent than usual in the two last years of the period, and in the year 1852-53 were of larger amount than in any preceding year since 1838-39.

18. We desire to be informed to what causes the fluctuations to which we have adverted are to be ascribed, and, as far as you can ascertain it, what has been the destination of the large amount of coins latterly issued to the podars.

19. We regret to observe that the quarterly return of the balances of copper coin lying in the Mint has not been furnished for the last two years, and we desire that it may be regularly transmitted with your Mint accounts; and likewise a return of copper coin of various kinds received into the Calcutta Mint, similar to that which you forward regarding the silver coin, No. 2 of the annual series.

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EXTRACT Financial Letter to India, dated 15 November 1854, No. 47.

Letter from, No. 43, dated 23 June 1854.

3 and 4. Forward further correspondence with the Government of Bombay, on the subject of the means of suppressing the foreign copper currency in circulation in certain districts under that Presidency.

10. WE approve generally of the remarks which you offered to the Government of Bombay upon this reference. You very properly discountenanced the proposal for the adoption of penal measures in view to the suppression of all copper coinage, save that of the Government Mints. We believe that such measures would be likely to defeat their own object by exciting the opposition of the people.

11. You

* Value of Copper Coinage:

| | *Rs.* |
|---|---|
| From 1835-36 to 1840-41 | 22,77,600 |
| „ 1841-42 to 1846-47 | 28,04,522 |
| „ 1847-48 to 1852-53 | 28,25,896 |

11. You will have observed from para. 6 of our Despatch in this department, dated 30 August 1854, No. 33, that we are doubtful of the expediency of authorising the unlimited receipt of Government pyce in payment of dues. If inconvenience or loss should result from the measure, the authority (which you appear already to have given) must be withdrawn, and Government officers should be required to report the extent to which payments are tendered in copper at the Treasuries under their charge.

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COPY Financial Letter from the Government of India, dated 5 February 1855, No. 15.

WITH advertence to your Honourable Court's Despatch, No. 33 of 1854 dated 30 August, we have the honour to lay before your Honourable Court a report from the accountant to the Government of Bengal, dated the 15th ult. on the effect of the recent measures for increasing and facilitating the circulation of the Government copper coinage in India.

2. We concur in the views of the accountant on the subject of his report.

EXTRACT Financial Letter to the Government of India, dated 12 September 1855, No. 81.

Letter from, dated 5 February 1855, No. 15.

With reference to Court's Despatch, dated 30 August 1854, No. 33, forward a report from the accountant to the Government of Bengal, on the effect of the recent measures for increasing and facilitating the circulation of the Government copper coinage.

1. WE learn from the report of the accountant to the Government of Bengal, that although the issues of copper coin in the year 1854 were nearly double the amount issued in 1853, yet the demand is still so large that the Calcutta Mint is scarcely able to meet it. In the year 1854, 1,09,800 rupees worth of pyce, and 1,25,400 rupees worth of the new "half pyce" coin have been supplied, but the estimates of the probable amount of copper coin required for immediate circulation in the Mofussil aggregated no less than 11 lacs of rupees worth of pyce and half pyce.

2. The demand of the railway contractors should, if possible, be speedily met, as well for the convenience of these parties as for the reason given by the accountant, viz., "that this channel of circulation may prove influential in aid of the half pyce coinage in promoting the supersession of the local pyce in the Behar province.

3. Whilst the demand continues in excess of the issues, it is not likely that the authority which you have given to Treasuries to receive copper in exchange for silver, without restriction of amount, will operate inconveniently to produce an accumulation of copper coin in the Government Treasuries. It will, however, be necessary to pay close attention to the subject, so as to be prepared to withdraw the authority in question, if at any time, from overissue or other circumstances, it should seem probable to occasion inconvenience or loss to the Government.

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EXTRACT Narrative of Financial Proceedings of the North Western Provinces, during the 2d Quarter of 1854, forwarded with Letter from the Government of India, dated 1 March 1855, No. 23.

Para. 32. THE Honourable the Court of Directors, in para. 2 of their Despatch, No. 47 of 15th September 1852, approved of the old Bareilly, Furrukabad, and Nujeebabad rupees, current in Rohilcund, being received as bullion, by weight, in exchange for Company's rupees, instead of by tale, at certain rates of discount. The bazaar rates of exchange being more favourable, few of the coins in question were offered at the Treasuries. It was discovered that the new rate which was intended to save the Government from a loss it would have sustained by receiving those currencies at the Treasuries, at the over-valuation attached to them by orders of 1833, was not likely to effect the rapid withdrawal of the coins in question from circulation.

33. The Sudder Board of Revenue were called on to ascertain the cause why the coins continued to circulate at so high an artificial value, and to devise means for removing them from circulation.

34. On the 28th March last, the Board, in correspondence with the accountant, North Western Provinces, reported that the money-lenders fix the discount of the several coins under discussion at different seasons, according as they expect to circulate them as advances, or to receive them in exchange for Company's rupees, required for the payment of the revenue.

35. Parties needing advances must accept the coins at the rates fixed by the money-lenders (the bulk of the currency of the district being in Furruckabad and Nujeebabad rupees), and when the revenue kists are due, holders must exchange them for Company's rupees at the probably enhanced discount, the money-lenders being careful that the discount is always less than the terms offered at the Government Treasuries. Hence the coins remained in circulation.

36. With the view of withdrawing them from circulation, the Board offered their opinion that it would be necessary to determine, by a new and sufficient assay, the present intrinsic value of the coins. Government might then offer to take them in tale at their value so determined, or at a rate somewhat more favourable, for a fixed period, after which the circulation of the coins should be made a penal offence. To prevent individual hardships, a further period might be allowed within which the coin would be received at enhanced rates, or as bullion.

37. The Board observed that there was no hope that the coins would be offered at the Treasuries as bullion, as the superior fineness of the old native rupees leaves Government an advantage of 2 or 3 per cent. on the transaction.

38. In reply, the Lieutenant Governor desired that the accountant, North Western Provinces, should be called on to state, after full and careful inquiry, at what precise rate he would propose to call in the native currencies in question, by fixing a term beyond which their circulation should be absolutely prohibited under adequate penalties; the rate to be so regulated as to render the operation effectual, if it should have the eventual sanction of the Supreme Government, and to be fixed with a due allowance for the superior fineness of the silver in the native rupees.

39. The accountant was also requested to report with what reserve of Company's rupees he would be prepared to undertake the measure of calling in the remaining native currencies in Rohilcund, within the limited term which may be thought most suitable for the purpose.

EXTRACT Financial Letter to the Government of India, dated 12 September 1855, No. 81.

Letter from, dated 1st March 1855, No. 23.

32 to 39. Submit further correspondence relative to measures proposed for the withdrawal of the local currencies of Rohilcund.

66. IT appears that our instructions for the receipt of the local currencies of Rohilcund (consisting chiefly of Bareilly, Furruckabad, and Nujeejabad rupees), as bullion, by weight, in exchange for Company's rupees, instead of by tale, at certain rates of discount, has been quite ineffectual towards the withdrawal of those currencies from circulation, owing, doubtless, as observed by the Agra Board of Revenue, to the fact that the superior fineness of the old native rupees would leave the Government an advantage of 2 or 3 per cent. on the transactions.

EXTRACT Financial Letter from the Government of India, dated 28 May 1855, No. 66.

Para. 51. AN extract from the Foreign Department referred, for consideration and orders, a letter from the Secretary to the Chief Commissioner of the Punjab, with enclosures, suggesting the speedy withdrawal of the Furruckabad rupees from circulation.

52. Under

52. Under the circumstances brought to notice by the Chief Commissioner of the Punjab, there appeared to be no question that the immediate withdrawal of the Furruckabad rupee from circulation was expedient, and it was with this view that the Government of the North Western Provinces was informed in September 1853 that, the time had arrived for directing the Accountant at Agra to remit all the smooth-rimmed Furruckabad rupees received at the treasuries in the North Western Provinces to the Calcutta mint, as well as all other descriptions of the Furruckabad rupees. The Accountant, however, feared it would be some time before the treasuries would be in a position to admit of their parting with so much cash, and subsequently intimated that the funds placed at his disposal were too limited to admit of the withdrawal of any portion of the current coin, or of his making any remittances to Calcutta of the smooth-rimmed Furruckabad rupees.

53. The Most Noble the Governor General in Council did not, however, consider that any sufficient reason existed to induce this Government to forego the intention of withdrawing the Furruckabad rupee from circulation, as it appeared from the cash balance report from the North Western Provinces for February 1854, that there were 27,70,004 Furruckabad rupees in the treasuries, of which sum five lacks had been sent to the mint; and if it was necessary to replace the whole of the remaining 22,70,004 Furruckabad rupees by Company's rupees, his Lordship in Council observed there would be no objection under existing circumstances to the amount being remitted from Calcutta.

54. The Government of the North Western Provinces was therefore requested to direct the Accountant at Agra to carry the instructions issued in September 1853 into effect, and to state the amount of Company's rupees he considered absolutely necessary to replace the Furruckabad rupees still remaining in his treasuries, while the sub-treasurer at Calcutta had in the meanwhile been directed to prepare 20 lacs of Company's rupees for despatch to the North Western Provinces by the first opportunity.

EXTRACT Financial Letter to the Government of India, dated 9th January 1856, No. 1.

13. THERE can be no doubt that it is desirable to withdraw the Furruckabad rupees from circulation, and we approve the measures which you have authorised with this view, as reported in the correspondence now transmitted.

Letter from, dated 28th May 1855, No. 66.

51 to 54. Report proceedings relative to a letter from the Secretary to the Chief Commissioner of the Punjab, suggesting the speedy withdrawal from circulation of the Furruckabad rupees.

EXTRACT Financial Letter from the Government of India, dated 28th May 1855, No. 66.

Para. 149. THE Officiating Accountant to the Government of Bengal submitted for orders copy of instructions issued by him to the Resident at Hyderabad in respect to the forms of account for the guidance of the Deputy Commissioner appointed to the charge of the districts recently assigned by his Highness the Nizam, and solicited attention to the Resident's suggestions regarding the state of the currency in the new districts, and the mode of supplying the treasuries with Government coinage.

150. The Most Noble the Governor General in Council observed in reply that the Officiating Accountant's instructions to the Resident at Hyderabad seemed judicious and proper, and were generally approved.

151. In regard to the introduction into the districts of the Company's rupees, his Lordship in Council was of opinion that it should be encouraged as much as possible, the sooner the better; and with this view, all salaries should be fixed in Company's rupees, and paid in that coin whenever there were any in the Treasury, and remittances of Company's rupees should be sent from Bombay and Madras as occasion offered, while the native coins should in return be sent to the mints of those Presidencies for re-coinage. All Government dues

 should

should also be fixed in Company's rupees, and received at the option of the payees in Company's rupees or native coins. In fixing, however, the exchange between the Company's and native rupees, it appeared to his Lordship in Council that it would be expedient to over-value the former to the extent of three per cent., in order to cover the seignorage duty and cost of remittance, this over-valuation being maintained both in receipts and payments. In other words, suppose 120 rupees of any native currency equalled in intrinsic value 100 Company's rupees, the Government demand for every 100 Company's rupees should be either 123 of such native coins, or 100 Company's rupees, whichever the payer might prefer to tender. On the other hand, all salaries should be paid, whenever possible, in Company's rupees; but in the event of any insufficiency of the Government coin, the native coins should be issued at the rate of exchange above fixed.

152. It was further observed that the use of the Company's rupees in the assigned districts could, in the opinion of his Lordship in Council, be introduced without any particular difficulty, seeing how soon and easily the coin spread itself in the Punjab.

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EXTRACT Financial Letter to the Government of India, dated 9 January 1856, No. 1.

Letter from, dated 28 May 1855, No. 66.

149 to 152. Report instructions issued to the Resident at Hyderabad, in respect of the forms of account for the districts recently assigned by his Highness the Nizam, and for the introduction into those districts of the Government coinage.

47. THESE proceedings call for no orders. The instructions issued by the Officiating Accountant appear to be well calculated to secure an efficient system of account for the newly assigned districts.

48. We entirely concur in the propriety of at once introducing the Company's rupee, as far as possible in supercession of the various coins which obtain currency in the districts. We observe that no less than 96 descriptions of rupees are mentioned by the Resident as being current in the Nizam's dominions, and the Resident further states that the better kinds of rupees daily decrease, in consequence of their re-coinage at the private mints, into a deteriorated coinage known as the bazaar rupee.

49. So long as the privilege of coining continues with the Nizam, it cannot be expected that your desire for the introduction of the Company's rupee as the sole currency will be perfected. At the same time the measures which you have authorised for fixing salaries in Company's rupees, and paying them in that coin wherever possible, are judicious, and likely to encourage the object in view. With reference to the general subject, we would recall your attention to the observations made in paras. 23 and 24 of our Despatch in this department, dated 15 June 1853, No. 20.

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EXTRACT Financial Letter from the Government of India, dated 10 September 1855, No. 123.

Consultation, 15 September 1854; Nos. 102 to 109.
Consultation, 22 December 1854; Nos. 71 to 81.
Consultation, 19 January 1855; Nos. 69 to 71.
Consultation, 2 February 1855; Nos. 113 to 117.

Para. 188. THE papers marginally cited will bring to the notice of your Honourable Court that, for the reasons contained in our resolution on the subject, the reform of the Hyderabad currency had been abandoned, and that we had confined ourselves to the measures which it was desirable to take for the general introduction of the Company's rupee into the assigned districts, and the amelioration of the exchange transactions at the treasury of the Resident at Hyderabad.

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EXTRACT Financial Letter to the Government of India, dated 13 May 1856, No. 38.

63. THIS subject was noticed in para. 47 of our Despatch in this department, dated 9 January 1856, No. 1.

64. The further proceedings, in view to the introduction of the Company's rupee into the assigned districts, as detailed in the correspondence now transmitted to us, have our general approval.

Letter from, dated 10 September 1855, No. 123.

188. Have resolved, for the reasons explained in the papers forwarded, that the intended reform of the Hyderabad currency be abandoned, and have directed measures to be taken for the general introduction of the Company's rupee into the assigned districts, and the amelioration of the exchange transactions of the treasury of the Resident at Hyderabad.

65. We regret to learn that your Government and the Resident at Hyderabad are of opinion that there is no prospect of his Highness the Nizam giving his consent to any real and permanent reform of the currency, and therefore that your Government do not think it necessary for the Resident formally to sound the Nizam upon the subject, with the view (as suggested in our Financial Despatch, dated 15 June 1853), of inducing his Highness "either to accept the British Indian currency in substitution of that of his own mints, or to adopt a coinage bearing his own name, without any objectionable device, to be manufactured at Calcutta or Madras."

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EXTRACT Narrative of Financial Proceedings of the Government North Western Provinces, for Third Quarter of 1855, forwarded with Financial Letter from India, dated 16th January 1856, No. 16.

REVENUE.

13. THE measures adopted for withdrawing the native currencies in circulation at Jhansi were reported in the Narrative quoted. It was also intimated that the Accountant North Western Provinces was requested to furnish an early report relative to the dates to which the currencies in question should be received, and the period it would appear to him expedient to fix, after which the Nana Shahee, or other rupees formerly forming the main coin of currency, should not be received in payment of revenue, except at a full discount covering the charges of transport, refinage, and seignorage.

Collection No. 7.

Further papers relative to the payment of revenue in the Jhansi district in Company's rupees, paragraph 11, Financial Narrative, 4th Quarter of 1854.

Judicial Proceedings, April 1855, No. 35.

Ditto, August 1855, Nos. 39 and 40.

Ditto, September 1855, Nos. 51 and 52.

14. The Accountant, in conformity with the above mentioned instructions, stated that there were two coinages issued from the Jhansi mint, one of the year 36 Jalousee, containing 12 parts silver, the other of the year 1852 Jalousee, containing $11\frac{3}{4}$ parts silver, the two coinages bearing different impressions.

15. He added, that several references had been made to the mint master of Calcutta, but that that officer was not able to determine the value of each of the above coins. Taking, however, the average of the Jhansi rupees of both kinds sent to the mint, during the last five years, he gave the following result: 100 Jhansi rupees, weighing tolahs 93. 14. 2 = *Rs.* 87. 4. 7., or 100 Company's rupees = Jhansi *Rs.* 114·505, weighing tolahs 107. 8. 1.

This is the intrinsic value, not the mint value, after deducting seignorage, &c.

16. Under the above circumstances the Accountant proposed:

1st. That after the revenue demand has been fixed in Company's rupees, both the Jhansi coinages of full weight be received at the rate of 115 Jhansi rupees, for every 100 Company's rupees.

2d. That 93 tolahs be fixed as the standard weight of 100 Jhansi rupees, the difference between actual and standard value being made good by parties who pay the money.

3d. That the mint master be required for the future, carefully to distinguish in his assays the two kinds of Jhansi rupees, in order to guard against loss, and that, if the value of the two coinages be trifling, no distinguishing rates in the reception of them at the treasuries be made.

17. With reference to fixing a date, after which the native coin will not be received except at a discount, the Accountant was of opinion that this question had better stand over until certain proposals made to the Sudder Board of Revenue, for the withdrawal of the old Rohilcund currency, had been disposed of.

18. The Accountant further stated, that he had authorised the Deputy Superintendent at Jhansi to receive, for the present Company's rupees, in lieu of native, at the bazaar rate of exchange, provided, with reference to the intrinsic value of each, there be no loss to Government, and that, acting on these instructions, the Deputy Superintendent was receiving *Co.'s Rs.* 93. 12. in lieu of 100 rupees of the native coin, which gave a profit of better than 6 pie per cent.

19. A copy of the entire correspondence having been forwarded to the Superintendent of Jhansi for report, and for any remarks which might occur to him on the subject, that officer intimated in reply, that, if the question to be considered was merely the withdrawal of the Nana Shahee rupees, the continuation of the settlement in that currency for a few years longer, until the regular settlement could be made, would go far to effect the object, and until the demand had been fixed in Company's rupees, it would be premature to propose to the people a valuation for receiving Nana Shahee rupees instead of Company's rupees.

20. If a fixed rate of 88 Company's rupees, in lieu of 100 Jhansi rupees was to be adopted, it appeared that Government would still gain 11 annas and 5 pie per cent. on the intrinsic value of 100 Jhansi rupees, while the Malgoozars would also gain, at the present market rates, about Jhansi *Rs.* 4. 8. per cent. upon all payments in Company's rupees, which would be no inconsiderable relief to them; but on the other hand the effect of a fixed rate would certainly be to enhance the value of the Jhansi rupees, and to keep them out of the treasury, while their withdrawal from circulation was undoubtedly desirable; the Superintendent was therefore of opinion, that, so long as the settlement was in Jhansi rupees, that currency only had better be accepted in payment of revenue, as far as possible.

21. The Sudder Board of Revenue were requested, after communicating with the Accountant, to submit their opinion on the suggestion offered by the Superintendent.

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EXTRACT Financial Letter to the Government of India, dated 2d July 1856, No. 57.

Letter from, dated 16 January 1856. No. 16.
13 to 21. Report proceedings adopted for withdrawing the native currencies in circulation at Jhansi.

23. As the object in view is to withdraw the local currencies of Bundlecund from circulation, we are disposed to agree with the Superintendent of Jhansi, that, so long as the settlement of that State continues in Jhansi rupees, this currency alone should, as far as possible, be received in payment of revenue.

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COPY Financial Letter from the Government of India, dated 9th May 1856, No. 80.

WITH reference to the instructions conveyed in para. 70 of your Honourable Court's Despatch, No. 81 of 1855, dated the 12th September, we beg to submit copy of a report from the Government of the North Western Provinces on the subject of the withdrawal of the local currencies in Rohilcund, from which your Honourable Court will observe that it is apparently admitted by that Government that nothing can be done in the case without the enactment of a penal law, prohibiting the circulation of the native silver currencies, which it is to be remarked are no longer coined.

2. We do not suppose that the Legislative Council would ever consent to pass such an Act, and we are of opinion, therefore, that it is useless to discuss the question further.

3. We

3. We beg to add that the coins in question are never used in transactions between the Government and the people; and if the people, as appears to be the case, think proper in their own private dealings to put a value on them superior to their intrinsic value, we do not see why this Government need st p in to prevent it, or how it can do so with propriety.

EXTRACT Financial Letter to the Government of India, dated 17 September 1856, No. 85.

1. WE have on former occasions acquainted you that we are decidedly opposed to the adoption of penal measures in aid of the withdrawal of the old native currencies from circulation. We continue of the same opinion, and we therefore approve of the reply which you have given to the proposition of the Government of the North Western Provinces for the introduction of a legislative enactment prohibiting the circulation of the old currencies in Rohilcund. We also concur generally in your views on the subject.

Letter from, dated 9 May 1856, No. 80.
Submit copy of a report from the Government of the North Western Provinces, on the subject of the withdrawal of the local currencies in Rohilcund, and state that that Government apparently admit that nothing can be done in the case without the enactment of a penal law, prohibiting the circulation of the native silver currencies. It is to be observed, that these currencies are no longer coined, and that they are not used in transactions between the Government and the people. The views of the Government of the North Western Provinces are not acquiesced in by the Supreme Government.

EXTRACT Financial Letter from the Government of India, dated 4 June 1856, No. 95.

Para. 7. THE collection cited in the margin contains reports received from the officiating mint master, and the Sub-Treasurer, with copies of correspondence on the subject of a deficiency of gold mohurs at the General Treasury, and of an urgent demand then existing for that description of coin, to enable the Sub-Treasurer to pay the holders of certificates issued by the mint master.

Consultation, 21 December 1855, Nos. 30 to 35.

8. The amount of the certificates was, gold mohurs, 4,838. 7, and the number of gold mohurs in store was 1,535, leaving a deficiency of 3,303 gold mohurs, which the mint master was doubtful of being able to supply within the due date, on account of the brittleness of some of the ingots. The mint master therefore suggested that the certificates should be discharged on this occasion in silver, and that, as favourable opportunities presented themselves, eight or ten thousand tolahs of gold might be purchased for the purpose of forming a reserve of gold mohurs in the Treasury.

9. The President in Council concurred with the Sub-Treasurer in thinking that no delay should have occurred in the coinage of the gold mohurs, and their transmission to the General Treasury before the time at which they became payable, and stated that the mint master would be directed through the mint committee to make every exertion still to coin them in time, and that he would at the same time be informed that the mint should not have received brittle gold at all.

10. A copy of the above communication was sent to the mint committee accordingly.

11. The Sub-Treasurer having again reported that he was still unable, owing to a deficiency of gold mohurs at the General Treasury, to meet the demands of the holders of certificates issued by the mint master, he was told in reply that the certificates in question might be discharged in silver, at the rate of 15 rupees per gold mohur, or if the holders would not receive silver, that interest might be allowed till the gold coins were ready.

Copy Financial Letter from India, dated 15 June 1856, No. 100.

1. It will be observed from the papers noted in the margin,* that, in November last, the Bengal Chamber of Commerce, referring to the large importations that had for some time previously been made of bullion, and the delay that occurred in the issue of mint certificates, suggested, with a view to obviate the extraordinary pressure that then existed in the mint, and, at the same time, to afford a great convenience to merchants during the excessive influx of bullion, that on the immediate test of the quality of bullion sent in for coinage at the mint, certificates might at once be issued for two-thirds of the estimated value, the balance being adjusted in the ordinary manner by payment of certificates at 20 days after date.

2. After full consideration of this suggestion, we were of opinion that it could not be acceded to without risk of exposing the Government to serious financial embarrassment, and the Chamber of Commerce was accordingly informed, in reply to their application, that this Government was not prepared to allow of any deviation from the established practice, but that orders would be issued for an immediate increase to the receiving department of the mint, and that it was hoped that a recurrence of the inconvenience experienced by the merchants, would, by that means, be avoided.

3. This expectation promises to be fully realised. The assay master has already, with the aid of a small additional establishment in his own office, and by the transfer of the "cutting and burning" process to the office of the mint, been able to grant certificates to the amount of from 3 to 3½ lacs of rupees per diem; and there is little doubt, when a further increase to the establishment which is now under consideration is sanctioned, and provision is by that means made for the grant of certificates to the extent of 4½ lacs per diem, that all reasonable requirements of the public will be met without delay.

4. We beg, however, more especially to call the attention of your Honourable Court to the difficulty that exists in meeting the pressure on the coining department of the mint. It has been proved by experience that sufficient relief cannot be afforded by a mere addition to the working establishment, and we are strongly of opinion that an increase to the machinery of the department is absolutely necessary to meet the requirements of the Government.

5. This appears evident from a comparison of the number of coins furnished by the mint, with the amount of the probable demand.

6. The out-turn of the mint in "ordinary time," that is, allowing about seven working hours to a day, has heretofore been estimated at two lacs of pieces a day. By great exertions in February last, Colonel Smith was able to deliver in "ordinary time" 2½ lacs of rupee pieces, besides a few smaller coins, giving on an average 2,77,494 pieces per diem; and this delivery was afterwards increased by straining the machinery and the establishment to their utmost power, and working "extra time," to something more than four lacs of rupees per diem.

"By similar extraordinary efforts," Colonel Smith observes, "during the summer months, from 1st March to 1st September, 1,50,000 silver pieces daily, with a few small coins, could be turned out simultaneously with 2½ or 3 lacs of copper

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* Letter from the Secretary, Bengal Chamber of Commerce, dated 6th November 1855, with indorsement to the Mint Committee, No. 4214, dated 8 November 1855.
Letter from the Mint Committee, Calcutta, No. 152, dated 29 November 1855, and its enclosure.
Letter to the Mint Committee, Calcutta, No. 4807, dated 22 December 1855.
Letter from the Mint Committee, Calcutta, No. 255, of 22 February 1856, and its enclosures.
Minute by the Honourable J. A. Dorin, dated 6 March 1856.
Minute by the Honourable J. P. Grant, dated 10th March 1856.
Minute by the Honourable B. Peacock, dated 13 March 1856.
Minute by the Right Honourable the Governor General, dated 13 March 1856.
Minute by his Excellency the Commander in Chief, dated 16 March 1856.
Minute by the Honourable J. A. Dorin, dated 17 March 1856.
Minute by Major General the Honourable J. Low, dated 18 March 1856.
Letter to the Mint Committee, Calcutta, No. 1158, dated 22 March 1856.
Letter to Secretary, Bengal Chamber of Commerce, No. 1157, dated 22 March 1856.
Letter from the Mint Committee, No. 276, dated 12 March 1856, and its enclosure.

copper pyce. During the remaining six months it would be necessary to work 'ordinary time,' and the out-turn would be one lac of rupee pieces, and a few small silver coins, besides about 1,50,000 to 2,00,000 pyce," and the general result of "a year's incessant full coinage during ordinary hours, would thus be about 2¾ crores of rupee pieces, and 4 to 5 crores of pyce; or, on the supposition that the mint works incessantly to the utmost of its power, half the year ordinary hours, the other half 10½ hours a day, it would be about 3¼ crores of rupees, and 5½ to 7 crores of pyce."

7. But we agree with the mint master in thinking that "it would be unwise to arrange the work of the mint, so as systematically to require even for six months incessantly its utmost powers; as, in addition to the risk of accident to the machinery, there would, in case of emergency, be no means of increasing the out-turn except by working day and night, for which there is no provision at present; and which, as it would involve a good deal of risk, and be in many ways objectionable, it is most desirable to avoid." We further concur with Colonel Smith in thinking that "the utmost which it ought to be arranged that the mint should incessantly perform, is the full day's work ordinary time;" and we believe that this full day's work cannot fairly be estimated at more than 2¾ lacs of pieces per diem, or 748 lacs of pieces in the course of the year.

8. This out-turn would be altogether insufficient to meet the demand likely to be made upon the mint. The deliveries of merchant's bullion in 1855-56, amounted to 453½ lacs of rupees worth of silver, and 20½ lacs of rupees worth of gold, the deliveries of uncurrent silver coin to 45½ lacs of rupees worth, giving a total of 519½ lacs of rupees worth of bullion during the year. The deliveries in future years will probably not be equally large; but we think, when the extension of railways, the probable short drawings of your Honourable Court, and the probable increase in the export trade of Calcutta, are taken into consideration, that we do not place the average amount of imports of silver bullion in future years at too high a figure, when we estimate them at from 20* to 25 lacs of rupees worth per mensem, or from 240 to 300 lacs a year.

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* This estimate Colonel Smith considers likely to be far short of the truth. He remarks:

"The time appears to be close at hand when the Court of Directors' bills will be altogether superseded by railway expenditure.

"Already the outlay is about 1½ million per annum on this side, and very shortly it will be the same with the Bombay Presidency. We may reckon, perhaps, one million for Madras. These sums united amount to four millions per annum as the probable expenditure a very few years, if not even months hence; and, in addition to this, we may be certain that as soon as capital becomes abundant in England, it will be impossible to resist the pressure for new undertakings; till, at last, the Honourable Court will have to enter the market as purchasers instead of sellers of bills, their necessary payments in India being in excess of the wants of the Home Treasury.

"What will be the result, then, as regards the mint?

"Unless, in the meantime, the import of merchandise shall have increased quicker than the export, and have gained upon it so as to have done away with the inferiority of past years, and gained a superiority; in other words, if the relative amount of the import and export trade continues (the latter having been in past years about 1½ crore, counting the Court's bills as imports, in excess of the former), then an increase will take place in the bullion to the whole amount of the Court's bills drawn upon this Treasury.

"If the import trade gains upon the export trade in the meantime, then the bullion will increase so much less than the Court's bills. If the export trade gains on the import, then the bullion will increase so much more than the amount of the Court's bills in past years.

"It is a matter of speculation and doubt (so to speak) whether the import or export trade will be most benefited by the railways and other changes now in progress. All the merchants and others I have heard speak on the subject, seem to think the export trade would have the best of it. If that were the case, the bullion would increase by more than the Honourable Court's bills; but, by way of argument, let us consider what the result will be if it only equal them:—

"The Honourable Court's bills on this Treasury, in past years, have averaged 3† millions per annum, and the bullion imported into the mint, 1½ million. Hence, hereafter, the import of bullion may be expected to be 4½ millions or 4½ crores of pieces, at the least; to which, if we add 1½ crore of small silver coins, the probable number of silver pieces required will be 6 crores.

"Copper coins at the rate of three lacs per day, 272 days, come to 816 lacs per annum.

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|---|---|
| TOTAL—Copper - - - | 816 |
| Silver - - - | 600 |
| | 1,416 |

"The present utmost power of the mint, ordinary time, as far as hitherto known, is one lac per day silver, besides two lacs copper; or, total, 816 lacs, leaving a deficiency of 600 lacs.

† These figures are not intended to be exactly accurate, for want of data.

year. The average deliveries of uncurrent coin again, may reasonably be assumed at 48 lacs per annum, and when to this is added the probable demand for copper coins, which is estimated at 3* lacs of pieces for each working day, or 816 lacs of pieces per annum, we arrive at an average for every working day, of from 4,06,000 to 4,28,000, as the number of pieces to be delivered from the mint, to meet the requirements of the Government, or from 1,31,000 to 153,000 pieces per diem in excess of the out-turn to be expected from the mint, with its present power.

9. It has further been represented to us that the present machinery of the mint, though in the main in good order, is old, and requires a general revision and refitting, for which it would be desirable to stop it for a time, if it were possible to do so without inconvenience; that, as a general rule, it is expedient that a mint should be so arranged that it can occasionally have a respite to restore and refit the machinery, instead of being incessantly employed; and that it is highly objectionable, in a case like that of the Calcutta mint, which, at full power, is insufficient to meet the whole wants of the Government and the country, to be dependent on a single train of machinery, any accident to which would place the Government in serious difficulty.

10. In these views we entirely concur, and considering, as we do, that full and sufficient cause has, upon the whole, been shown for an increase to the power of the mint, we have no hesitation in submitting the following propositions for the favourable consideration of your Honourable Court:—

First. As a temporary arrangement, that 300 or 400 tons of copper slips, ready rolled to the required thickness for copper coins, together with 12 hand-cutting presses, should immediately be sent out to Calcutta by your Honourable Court; by which it is anticipated that the mint would be able to turn out one lac of copper coins daily, in addition to 2½ lacs of silver coins; and

Secondly. In order to provide fully for the efficiency of the mint, that separate machinery be erected for copper coinage, of power equal to the machinery now in use.

11. With regard to the probable cost of the new machinery, it may be observed that, as only laminating, cutting, milling, and stamping machinery need be provided for copper coinage, the buildings and apparatus would be much less expensive than those of the present mint, which include besides, a large bullion office, two or three strong rooms, mint master's and accountant's offices, five rolling mills, adjusting rooms, cutting and burning and melting rooms for gold and silver, for merchant's bullion, the same for standard, trituration

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"It is important to observe, that if the expenditure on account of railways in India should ever exceed four millions per annum, and the Honourable Court should be obliged to buy bills to replenish their Indian treasuries, the bullion trade might be increased even more than is above supposed.

"The only doubtful point in the above reasoning seems to me to be respecting the comparative growth of the import and export trade. On that point I refrain from expressing any opinion; others can judge far better than I can."

* The average annual coinage of copper for the past 10 years, is 3,10,91,023 pieces, which require an out-turn of 1,14,300 pieces each working day; but this has never been sufficient for the wants of the country, and, in 1854-55, the Treasury officers in Bengal alone submitted indents for 8,92,28,000 of pyce and half-pyce, of which only 2,16,31,200 could be supplied to them. There has been no copper coinage for the past year; and, therefore, taking the annual average supply, which has never equalled the demand, we have, for the requirements of Bengal alone, in the ensuing year—

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|---|---|
| Balance of former indents - - - | 6,75,96,800 |
| Two years' average coinage - - - | 6,21,82,046 |
| TOTAL - - - | 12,97,78,846 |

This is independent of the supply required for the new provinces of Pegu, Nagpore, and Oude, as well as the Punjab, and the Straits Settlements, and for the more extended operations of the railway, which at the most moderate estimate must be calculated at not less than 2,00,00,000 of pieces, which would raise the total immediate demand to 15,00,00,000 of pieces, or 5,50,000 per diem for one year; an out-turn which cannot possibly be effected with the present power of the mint, and which must consequently leave a large balance to be provided for in future years, independent of ordinary annual requirements.

rating mills and die department. The building required would therefore be of a simple character. It would occupy less than one-half the space occupied by the present building; there is a sufficient extent of unappropriated ground on which to erect it; and as the cost of machinery is so much less now than when the present mint was constructed, it is thought that the whole of what is required might be completed for five or six lacs of rupees.

12. On this point, however, your Honourable Court will be able to form a better opinion after consultation with Colonel Smith, who proceeds to England by the next mail steamer, and to whom we beg to refer you for all necessary details. We will only add, that as an average additional coinage of three lacs of pyce per diem would yield a net profit to Government of 3½ lacs of rupees per annum, and as the silver mint, working on the supposition of only 250 lacs of merchants' bullion per annum, would yield a net profit of some two lacs of rupees, the proposed increase to the machinery could not possibly be disadvantageous to the Government, even in a pecuniary point of view; and that whether the cost of such increase should eventually be confined to five or six lacs, or extended to nine or ten lacs, we are fully convinced that it is on every account desirable that it should be allowed.

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EXTRACT Financial Letter to the Government of India, dated 15th October 1856, No. 91.

Letter from, dated 4th June 1856, No. 95.

7 to 11. Forward reports from the officiating mint master and the Sub-Treasurer, with copies of correspondence on the subject of a deficiency of gold mohurs at the general treasury, and of a demand there existing for that description of coin, to enable the Sub-Treasurer to pay the holders of certificates issued by the mint master.

5. THE difficulty experienced in meeting the requisition of the holders of the certificates here referred to, appears to have arisen in consequence of part of the gold ingots being found to be brittle. This, however, was a defect which ought to have been discovered upon assay before the bullion was accepted. We approve, under the circumstances, of your authorising the Sub-Treasurer to discharge the certificates in question in silver, at the rate of 15 rupees per gold mohur, or if the holders would not receive silver, that interest might be allowed till the gold coins were ready.

COPY Financial Letter to the Government of India, dated 29th October 1856, No. 92.

Letter from, dated 15th June 1856, No. 100.

Submit correspondence with the Bengal Chamber of Commerce, and state that the suggestion of the Chamber, that, on the immediate test of the quality of bullion sent in for coinage at the mint, certificates might at once be issued for two-thirds of the estimated value, the balance being adjusted in the ordinary manner, has not been acceded to. With reference to this correspondence, report the measures which have been taken for increasing the strength of the receiving department of the Calcutta mint; and draw the Court's especial attention to the difficulty that exists in meeting the pressure in the coining department. Suggest that, as a temporary arrangement, 300 or 400 tons of copper slips, ready rolled together with 12 hand cutting presses, be immediately sent out to Calcutta, and that, in order fully to provide for the efficiency of the mint, separate machinery be erected for copper coinage.

1. WE concur in your refusal to permit the issue of certificates for two-thirds of the estimated value of bullion upon an immediate test of it. We apprehend that there is no immediate test by which the value of bullion could be ascertained with sufficient accuracy, and the grant of such certificates would therefore expose the Government to the risk of serious loss.

2. You inform us that you have increased the strength of the receiving department of the mint; and as regards the coining department, you have referred for our favourable consideration the two following propositions, viz.: "First, as a temporary arrangement, that 300 or 400 tons of copper slips ready rolled to the required thickness for copper coins, together with 12 hand cutting presses, should immediately be sent out to Calcutta; and secondly, in order to provide fully for the efficiency of the mint, that separate machinery be erected for copper coinage, of power equal to the machinery now in use." The expense of the latter proposition, including buildings and machinery, is roughly estimated by your Government at five or six lacs of rupees.

3. We have taken measures for the provision of 350 tons of copper ready cut into blanks, so as to require only stamping on its arrival at the mint, and we shall hereafter apprise you of the dates fixed for the shipment.

4. We are fully sensible of the important public interests involved in the maintenance of a sufficient supply of currency, and of the consequent necessity for keeping the Calcutta mint in a state of efficiency to execute the work required. That your mint is at present inadequate to meet the probable demands upon it, appears to be established by the papers forwarded with your letter. But before determining what measures shall be adopted in order to ensure an adequate supply of coin, and to what extent it may be expedient to increase the working power of the Calcutta mint, we are desirous of ascertaining the result of the experiment now made of supplying you with copper blanks, and the cost of the coin when made from copper obtained in that form as compared with the cost when all the operative processes are, as in past years, performed in the mint.

5. To enable us to arrive at a correct conclusion on this subject, we should be in possession of estimates of the additional buildings and machinery that would be required for the coinage of copper under both modes of supply, the interest on the outlay being a necessary element in any calculation as to the most economical mode of provision. We therefore desire that you will take measures for furnishing us with the necessary estimates at an early period.

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EXTRACT Financial Letter from the Government of India, dated 4th June 1856, No. 94.

Para. 200. ON the report of the Government of Bombay that serious inconvenience has been felt by the troops of the Bombay Presidency stationed at Nusseerabad, in consequence of the Soortee rupees, a coin of the Bombay mint, and current throughout the Bombay Presidency, being valued in the market at that station and its neighbourhood at 15 instead of 16 annas, owing to the rejection of that coin at the Ajmere treasury, by order of the Accountant North Western Provinces, the Honourable the President in Council sanctioned the measures proposed by the Right Honourable the Governor in Council, with a view to remedy the inconvenience complained of, viz., that the rupees in question be returned from the province of Rajpootana to the nearest civil or military treasury within the Bombay Presidency, in order that they might be exchanged for Company's rupees, and that the Soortee rupees be collected and sent to the mint for re-coinage, their re-issue from the General Treasury being at the same time prohibited.

EXTRACT Financial Letter to the Government of India, dated 17th December 1856, No. 104.

Letter from, dated 4th June 1856, No. 94.

200. Report measures adopted to remedy the inconvenience stated to have been felt by the Bombay troops stationed at Nusseerabad, in consequence of the Soortee rupees bearing a reduced value in the market at that station and its neighbourhood.

54. WE approve the measures which have been taken for calling in the Soortee rupees.

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EXTRACT Financial Letter from the Government of India, dated 10th September 1856, No. 132.

Para. 3. ON a reference from the Government of Fort St. George on the subject of the scarcity of small silver coin in the Madras Presidency, the Most Noble the Governor General in Council observed, that he was not convinced by the reasoning contained in the letter from that Government, that the half rupee, the quarter rupee, and the one-eighth rupee should be rendered only a representative currency, by reducing their intrinsic value, and increasing the limit of legal deviation from the standard weight.

4. The

4. The proposition, as his Lordship in Council understood it, was to put a greater quantity of base metal for alloy into the coins representing the fractional parts of a rupee than into the rupee itself; that is to say, it was proposed to debase the whole of the small silver coins of the country to such an extent as would make it worth no one's while to melt them up as silver, and it was stated that this practice was observed in England. But the Most Noble the Governor General in Council did not gather from the 5th para. of Colonel Smith's letter of the 17th March 1843 (a copy of which forms a No. in the packet), that this was by any means the case, or that a sixpence was made of baser metal than a shilling or a half crown. His argument seemed to his Lordship in Council only to go to the extent that upon all English silver coins a very large seignorage was taken, and that therefore their intrinsic value was less than their nominal value, a fact which equally applied to all English silver coins, whether large or small; whereas the proposition contained in the letter from the Madras Government was to debase the smaller coins, and to let the larger one remain as it was.

5. The Governor General in Council further observed, that it had long been considered by this Government that the rupee, as the unit of Indian value, was too large; that one of the intentions of making a large issue of the smaller silver coins was in course of time to reduce the unit of value (that is, the unit up to which copper should be a legal tender) to the half rupee, and that he could not, under such circumstances, admit that it would be advantageous to alter the standard of the half rupee.

6. His Lordship in Council moreover very much questioned the generality of the practice assigned as a reason for debasing the still smaller coins, viz., that they were melted down for ornaments or other purposes. He was not aware that this was the case in Bengal, and he remarked, that if the alleged want of them was so much felt for circulation and ordinary use as coins, that fact alone would seem to be conclusive against their being melted down, as people did not melt down or export their most useful coins.

7. If silver was required for melting, the whole rupee, his Lordship in Council observed, would be chosen in preference to halves and quarters, and he thought it must be very petty dealing that could only afford to go the length of melted fractions of a rupee.

8. It was admitted, indeed, in the 2d para. of the Madras Government's letter, that the smallness of these coins,* and the inconvenience of counting them, hinder large merchants, who alone deal with the mint, from calling for them, and consequently but few were made. This quite sufficiently accounted for their alleged scarcity in the Madras Presidency, while the fact of the large merchants not calling for them would further seem to indicate that they were in no great demand. His Lordship in Council did not think that debasing them could make them in greater demand.

* The small silver coins.

9. The question of taking a larger seignorage on all silver coins was, his Lordship in Council considered, a totally different question, in no way connected with the reference submitted by the Madras Government, and his Lordship in Council further remarked that, in Bengal, special care had been taken to make the rupee as broad and as flat as possible, in precise opposition to the recommendation of that Government, the reason for it being that thick dumpy coins were frequently found to be scooped out and plugged with lead.

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EXTRACT Financial Letter to the Government of India, dated 6th May 1857, No. 33.

2. WE entirely concur in the reply which you gave to the suggestions of the Government of Madras on this question. The debasement of the small silver currency would tend to throw doubt on the rupee currency generally, and to unsettle the minds of the people. It might, therefore, be attended with very serious results.

Letter from, dated 10th September 1856, No. 132.

3 to 9. Report proceedings on a reference from the Government of Fort St. George, on the subject of the scarcity of small silver coins in that Presidency. The proposal of that Government, that the half rupee, the quarter rupee, and the one-eighth rupee should be rendered only a representative currency, by reducing their intrinsic value, has been negatived.

EXTRACT Financial Letter from the Government of India, dated 10th September 1856, No. 132.

Para. 13. WITH reference to paras. 337 and 338 of the letter from this Department, No 133 of 1856, dated the 10th September, we beg to apprise your Honourable Court that the Sub-Treasurer reported the purchase of gold mohurs 10,000. 12. 11., at the rate of *Rs.* 14. 10. per gold mohur, and represented that the mint master, after promising to send to the General Treasury, on or before the 15th January last, from 18,000 to 20,000 gold mohurs, said he was afraid it would not be practicable to fulfil this engagement, a gold alligation amounting to 14,000 standard tolas having turned out brittle, and unfit for immediate coinage.

14. The Sub Treasurer was informed in reply, that the mint committee had been requested to instruct the mint master to use every exertion to keep the treasury supplied with a sufficient number of gold mohurs, to meet future demands, and that it was not expedient to increase the quantity of gold which had been accumulated by Government, in consequence of the discharge of gold assay certificates in silver, and the purchase of gold mohurs in the bazaar.

15. The mint committee were also requested again to caution the mint master not to receive brittle gold for coinage.

16. The explanation submitted by the mint master through the mint committee on the subject of the Sub-Treasurer's representation above adverted to we considered to be satisfactory, and informed the committee that it was not necessary to direct that the Sub-Treasurer should, as a rule, address the mint committee on matters connected with the supply of coin from the mint to the General Treasury, as a reference could always be made by the Government to the mint committee whenever such reference was desirable.

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EXTRACT Financial Letter to the Government of India, dated 6th May 1857, No. 33.

Letter from, dated 10th September 1856, No. 132.

13 to 16. Reports, with reference to paras. 337 and 338 of letter dated 10th September (No. 133) of 1855, the purchase by the Sub-Treasurer of gold mohurs 10,000. 12. 11., at the rate of *Rs.* 14. 10. per gold mohur, the mint master having failed to fulfil his promise of providing, for the General Treasury, on or before the 14th January 1855, from 18,000 to 20,000 gold mohurs.

6. THE purchase of gold mohurs was rendered necessary, in consequence of gold becoming brittle in the process of alligating to standard, and being thus rendered unfit for immediate coinage. With regard to the relative prices of gold and silver, it is worthy of remark that the Sub-Treasurer addressing the Secretary to your Government, on the 28th December 1855, observes, "The market value of Company's gold mohurs is quoted at *Rs.* 14. 7. to *Rs.* 14. 8. each; and I believe gold, if purchased to a large amount, can be obtained at *Rs.* 14. 6. per gold mohur." Under these circumstances the Sub-Treasurer has been authorised* to purchase gold mohurs when the same are required, so long as they can be obtained at favourable rates.

* *Vide* p. 265 of Letter, dated 10th Sept. 1856, No. 133.

EXTRACT Financial Letter from the Government of India, dated the 10th September 1856, No. 133.

325. THE Accountant General having submitted copies of correspondence with the Financial Commissioner of Oude respecting the rates at which Lucknow rupees should be received and issued at the treasuries in Oude, he was informed that the orders contained in the letter of the Financial Commissioner of Oude, No. 9 of the 7th March last, appeared to be unobjectionable as a temporary arrangement.

326. We

326. We directed that the Chief Commissioner should, however, be requested to send to Calcutta without delay 1,000 of each description of rupee current for assay, when further instructions would be issued; and that he should also be instructed to suppress any further coinage in the Oude territory, and to see that all salaries, settlements, and other public engagements were in future fixed in Company's rupees.

EXTRACT Financial Letter to the Government of India, dated 6th May 1857, No. 33.

83. IT appears from the letter of the Deputy Commissioner, Lucknow, dated 5th March 1856, that there are eight descriptions of rupees current in Lucknow, and that 10 other coins are occasionally, though rarely, to be met with. We do not anticipate much difficulty in introducing the Company's rupee into general circulation without inconvenience to the people, and you have properly taken the first step towards this result, in ordering the suppression of any further coinage in Oude. The other measures which you have taken are very proper, and are approved accordingly.

* Letter from, dated 10 September 1856, No. 132. 325 and 326. Have directed the transmission to Calcutta, for assay, of 1,000 of each description of rupee current in Oude, with the view of fixing the rates at which the rupees should be received and issued at the treasuries in Oude; also the suppression of further coinage, and that the salaries, &c. were to be paid in Company's rupees.

COPY Financial Letter from the Government of India, dated 22d January 1857, No. 10.

WITH reference to your Honourable Court's Financial Despatch, No. 75 of 1856, dated the 13th of August, forwarding a copy of correspondence with the Directors of the Oriental Bank Corporation, relative to the difficulty stated by them to be experienced by their agents at the Presidency towns in India in obtaining supplies of small silver coin, and requesting us to report any measures which this Government may consider necessary to take with reference to the representation submitted by the Oriental Bank Corporation, we have the honour to state, for the information of your Honourable Court, that it has long been felt by this Government that the supply of small silver coins is far from being equal to the requirements of the country. But it is impossible, we think, so long as the present demand for copper coins, and for the coinage into whole rupees of merchants' bullion, continues, that more than a very moderate number of small silver coins can be issued from the mints. It seems to us, indeed, that there is little prospect, even when the influx of merchants' bullion diminishes, of a sufficiency either of small silver coins or of copper being struck off, without an addition to the coining powers of the mint, in reference to which addition in the case of the Calcutta mint, your Honourable Court, in a recent Despatch, have called for estimates of the additional buildings and machinery that would be required. The only relief which your Honourable Court have consented to give, viz., the sending out of 350 tons of copper blanks, will not make the Calcutta mint more available for small silver coins, so far as the stamping department is concerned, as this department will be busier than ever.

2. In Madras steam power is not employed in all the departments of the mint, while at Bombay it is said to be impossible with the present machinery to work in silver and copper at once, and the inability to do so frequently leads to much loss of time. Great improvements might, we think, be made in both these mints, at a comparatively small charge, which, if your Honourable Court see fit to authorise, will enable them to forward to the General Treasury at Calcutta, supplies of coin as occasion requires.

3. In the margin* we beg to note the number of small silver coins in the years from 1852-53 to 1856-57 from the Bombay, Madras, and Calcutta Mint.

EXTRACT Financial Letter to the Government of India, dated 22d July 1857, No. 48.

Letter from, dated 22d January 1857, No. 10.

With reference to the Court's despatch (No. 75) of 1856, and enclosures, state that it has been felt by the Government that the supply of small silver coins is far from being equal to the requirements of the country, but it is impossible, so long as the present demand for copper coins, and for the coinage into whole rupees of merchants' bullion continues, that more than a very moderate number of small silver coins can be issued without an addition to the coining powers of the mint. Great improvements might, the Government think, be made in the mints of Madras and Bombay, at a comparatively small charge, which would enable them to forward to the General Treasury at Calcutta supplies of coin as occasion requires.

3. THE question of the additional buildings and machinery that may be required for the Calcutta mint, to enable it to meet the wants of the people for currency, will be considered on receipt of the estimates with which we have desired to be furnished.

4. We are prepared at once to authorise such moderate charges being incurred as may be necessary to introduce the improvements in the mints of Madras and Bombay, to which, without particularising them, your Government allude as being likely to conduce to your material assistance in obtaining supplies of coin from those mints.

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EXTRACT Financial Letter from the Government of India, dated 8th June 1857, No. 82.

120. THE Foreign Department submitted for consideration and orders a letter from the Secretary to the Chief Commissioner of Oude, regarding the native currencies of that province.

121. We observed that the Financial Commissioner in Oude recommended that certain measures should be taken for displacing the native currencies of Oude, but that the Officiating Chief Commissioner of that Province considered the course recommended to be in no respect advisable. To us it appeared that the views of the Officiating Chief Commissioner were, for the most part, correct. We did not think that the measures suggested by the Financial Commissioner would have the effect of displacing the native coinages, nor did we consider that they could be introduced in justice to the people. The proper course to be pursued when Chullum rupees were presented in payment of demands in Company's rupees, we observed, was, that they should be received at their assay value, as soon as that value had been ascertained.

122. We further thought that it would not be expedient to make any attempt to displace the native currencies until the Government was in a position to supply the Oude treasuries with an ample store of Company's coin. When this was effected, the only efficacious plan for withdrawing the native currency, we observed, would be to withhold it from re-issue after it is once received into the public treasuries; and in order to encourage its receipt, we were of opinion that no tax should be put on it till the people had had ample time to exchange it for the Company's coin, if they chose to do so.

123. With reference to the question whether the same discount of 1/9 per cent. should be paid in future on issuing the Chullum rupee in satisfaction of civil salaries as was now imposed on the receipt of that coin, under a circular

| | 1852/53. | 1853/54. | 1854/55. | 1855/56. | 1856/57. | TOTAL. |
|---|---|---|---|---|---|---|
| * Half rupees - - | 25,93,948 | 7,34,339 | 9,65,322 | 13,83,448 | 10,69,501 | 67,46,558 |
| Quarter rupees - | 29,56,801 | 19,51,580 | 49,24,648 | 37,75,018 | 29,13,897 | 1,65,21,944 |
| Two anna pieces - | 27,84,553 | 23,06,567 | 35,42,309 | 16,47,778 | 51,82,171 | 1,54,63,378 |

*Note.*—In some few instances, in which the coinage returns are wanting, the number of coins remitted to the General Treasury has been entered as the number coined.

circular order of the Financial Commissioner, we considered that all civil salaries ought, under existing circumstances, to be paid in Company's rupees, and that the Deputy Commissioners should be empowered to purchase Company's rupees in the bazar for that purpose, when they have not a sufficiency in their treasuries, in the same manner as they do for the payment of the military. When, however, the assay value of the native coinage had been ascertained, it would not, we remarked, be necessary that either military or civil salaries should be paid in Company's rupees only; all that justice demands is, that the exact intrinsic value of the former coinage should be ascertained in relation to the latter, and then that both the native coin and the Company's rupee should be received into, and issued from, the public treasuries at their exact intrinsic and relative worth.

124. In regard to the Officiating Chief Commissioner's remarks on the subject of specie remittances, we observed that the proposal to allow a premium in supply bills had, if this Government understood the proposal aright, already been adopted by the Accountants in Bengal and the North Western Provinces, with respect to the public generally, while the sepoys and military officers were at liberty either to make remittances in such bills, or to make "family remittances" at par, for any sums within the limit of their pay. It would not be expedient, we thought, to alter the rule regarding family remittances, and it was doubtful whether any advantage would result from allowing the issue of "supply bills" for very small amounts, commensurate with the inconvenience likely to result from an increase in the number of bills.

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EXTRACT Financial Letter to the Government of India, dated 16th February 1858, No. 10.

Letter from, dated 8th June 1857, No. 82.

120 to 124. Forward correspondence with the Secretary to the Chief Commissioner of Oude, regarding the measures to be taken for displacing the native currencies of that Province.

15. WE concur generally in the views expressed in the resolution of your Government on this subject. The displacement of the native currencies should not be attempted until the Oude territories have been furnished with sufficient supplies of Company's rupees, otherwise embarrassment and inconvenience would be likely to result. But we are decidedly of opinion that the native currencies, when received into the public treasuries, should not be re-issued, except in cases in which there may exist an engagement to pay in the native coin.

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COPY Financial Letter to the Government of India, dated 22d June 1858, No. 50.

1. WE now proceed to notice the operations of the Calcutta mint, during the three years from 1853–54 to 1855–56, as reported in your several letters on the subject.

2. It having been found impracticable to carry out the suggestion contained in our Despatch, No. 17 of 1854, of separating the charges for the coinage of gold and silver from those appertaining to the copper coinage, we approve of the system that has been adopted in the recent accounts of apportioning the charges between the two coinages.

3. The value of the gold and silver bullion delivered into the mint by individuals for coinage during the period under review was as follows:—

| | | *Rs.* | *Rs.* |
|---|---|---|---|
| In the year 1853–54 | Gold | 10,11,901 | |
| | Silver | 1,43,66,179 | |
| | | | 1,53,78,080 |
| In the year 1854–55 | Gold | 1,08,852 | |
| | Silver | 12,77,770 | |
| | | | 13,86,622 |
| In the year 1855 5 6 | Gold | 20,32,059 | |
| | Silver | 4,53,61,863 | |
| | | | 4,73,93,922 |
| | Total | *Rs.* | 6,41,58,624 |

The amount received in 1854–55 falling very far short of the amount received in the preceding year, whilst in 1855–56 it reached the unprecedented amount of 4,73,93,922 rupees. The aggregate amount received in the three years exhibits an increase on the amount received in the three years from 1850–51 to 1852–53 of 45,01,878 rupees, as shown in the margin.*

4. The total value of the gold and silver coinage for the three years under consideration, during 3½ months of which period, namely, for a month and a half in 1853–54 and for two months in 1854–55, the operations of the mint were suspended, in consequence of the buildings and machinery being under repair, was, as will be seen on reference to the annexed table,† 7,21,50,375 rupees, the number of pieces coined was 77,643,692, and the total net profits amounted to 10,36,863 rupees; the average profit on the three years being consequently 3,45,621 rupees per annum.

5. The value of the copper coinage during these three years amounted to 13,95,653 rupees, the number of pieces coined was 104,619,578, and the total net profit was 2,56,264 rupees.‡

| | *Rs.* |
|---|---|
| ofit on Gold and Silver Coinage | 10,36,863 |
| Ditto on Copper Coinage | 2,56,264 |
| TOTAL *Rs.* | 12,93,127 |
| ge per annum *Rs.* | 4,31,042 |

6. The result of the operations of the mint for the three years under review has been, therefore, a net profit of 12,93,127 rupees, or an average of 4,31,042 rupees per annum. In this result we have not taken into consideration the usual item of interest on the cost of the mint buildings and machinery.

7. The

| | *Rs.* |
|---|---|
| From 1850–51 to 1852–53 | 5,96,56,746 |
| 1853–54 to 1855–56 | 6,41,58,624 |
| Difference *Rs.* | 45,01,878 |

† GOLD AND SILVER.

| | Value of Coinage. | Number of Pieces Coined. | Charges and Losses. | Profits, Duty, &c. | NET PROFITS. |
|---|---|---|---|---|---|
| | *Rs.* | | *Rs.* | *Rs.* | *Rs.* |
| 1853–54 | 2,46,39,487 | 26,118,491 | 1,55,682 | 3,55,392 | 1,99,710 |
| 1854–55 | 70,69,930 | 10,572,721 | 51,430 | 68,330 | 16,900 |
| 1855–56 | 4,04,40,958 | 40,952,480 | 3,34,355 | 11,54,608 | 8,20,253 |
| | 7,21,50,375 | 77,643,692 | 5,41,467 | 15,78,330 | 10,36,863 |

Average, per annum, *Rs.* 3,45,621.

‡ COPPER.

| | Value of Coinage. | Number of Pieces Coined. | Charges, &c. | Profits, &c. | NET PROFITS. |
|---|---|---|---|---|---|
| | *Rs.* | | *Rs.* | *Rs.* | *Rs.* |
| 1853–54 | 4,60,643 | 32,747,932 | 1,54,347 | 2,54,935 | 1,00,588 |
| 1854–55 | 6,95,023 | 56,136,777 | 2,09,600 | 3,63,012 | 1,53,412 |
| 1855–56 | 2,39,987 | 15,734,869 | 1,06,450 | 1,08,714 | 2,264 |
| | 13,95,653 | 104,619,578 | 4,70,397 | 7,26,661 | 2,56,264 |

Average, per annum, *Rs.* 85,421.

7. The net profit for the three years from 1850-51 to 1852-53, amounted, as shown in the margin, to 11,49,069 rupees, or an average of 3,83,023 rupees per annum. The last three years, therefore, show an average higher rate of profit of 48,019 rupees per annum over the same preceding period.

| | *Rs.* |
|---|---|
| Total profits in the Year 1850-51 - - - | 2,56,213 |
| Ditto ,, ,, 1851-52 - - - | 4,63,093 |
| Ditto ,, ,, 1852-53 - - - | 4,29,763 |
| TOTAL on the Three Years - - - *Rs.* | 11,49,069 |
| AVERAGE, per Annum - - - *Rs.* | 3,83,023 |

| | *Rs.* |
|---|---|
| Average Profit on the Three Years, from 1850-51 to 1852-53 - - - - per annum | 3,83,023 |
| Ditto - - from 1853-54 to 1855-56 - per annum | 4,31,042 |
| DIFFERENCE - - - *Rs.* | 48,019 |

8. We now turn to the charges:

| | Value of Coinage. | | | Cost of Coinage, and Charge of Mint Establishment, exclusive of Interest on Cost of Buildings. | | | Rate per Cent. of Charge on Value of Coinage. | | |
|---|---|---|---|---|---|---|---|---|---|
| | *Rs.* | *a.* | *p.* | *Rs.* | *a.* | *p.* | *Rs.* | *a.* | *p.* |
| 1853-54 - - - | 2,51,00,130 | 4 | 1 | 3,10,029 | 3 | 3 | 1 | 3 | 9·153 |
| 1854-55 - - - | 77,64,953 | 7 | 2 | 2,61,029 | 14 | 1 | 3 | 5 | 9·435 |
| 1855-56 - - - | 4,06,80,946 | 4 | 2 | 4,40,805 | 7 | 7 | 1 | 1 | 4·045 |

9. Of the three years under notice, the rate per cent. of charges appears from the above statement to have been highest in 1854-55, and lowest in 1855-56; but, in consequence of the great difference in the value of the coinage in those years, this per-centage does not accurately represent the effect of the mint operations. The high per-centage in 1854-55 (*Rs.* 3. 5. 9·435.) is attributable to the fact that in that year the coinage consisted mainly of copper, the number of pieces of all denominations struck having been 66,709,498, of the value of only 77,64,953 rupees; whereas in 1855-56 the number of pieces was 56,687,349, of the value of no less than 4,06,80,945 rupees.

| | Number of Pieces Coined. | VALUE OF COINAGE. | | | |
|---|---|---|---|---|---|
| | | Gold. | Silver. | Copper. | TOTAL VALUE |
| | | *Rs.* | *Rs.* | *Rs.* | *Rs.* |
| 1853-54 - - - | 58,866,423 | 14,56,785 | 2,31,82,702 | 4,60,643 | 2,51,00,130 |
| 1854-55 - - - | 66,709,498 | 26,760 | 70,43,170 | 6,95,023 | 77,64,953 |
| 1855-56 - - - | 56,687,349 | 16,78,635 | 3,87,62,323 | 2,39,987 | 4,06,80,945 |

10. As the mint establishment must, however, be maintained on a scale of efficiency, whether the coinage consists of silver or copper, it is, by referring to the operative losses that the successful conduct of the mint can more clearly be seen, and which are stated as follows:

| | Value of Gold and Silver Coinage. | Operative Loss. | Rate per Cent. | | |
|---|---|---|---|---|---|
| | *Rs.* | *Rs.* | *Rs.* | *a.* | *p.* |
| 1853-54 - - - | 2,46,39,487 | 36,723 | – | 2 | 4·3 |
| 1854-55 - - - | 70,69,930 | 6,705 | – | 1 | 6·2 |
| 1855-56 - - - | 4,04,40,958 | 1,06,842 | – | 4 | 2·7 |

The unfavourable rate here shown in 1855-56, is explained, by your Mint Master, as arising principally from the waste of alloy used to meet the refinement in melting, while he considers that the very favourable result in the former year (1854-55) may be ascribed to gains from the melting pots, and to recoveries from the drains, floors, and machines of the melting room. We consider, however, that much weight is due to the opinion of your mint committee, that a considerable portion of the operative loss in 1855-56, is attributable to the inexperience of the melters, and to the general inefficiency of the department caused by the desertion of the melter and his deputy, in September 1855, and the strike of the old workmen, which occurred about the same period.

11. We observe that the Mint Master states, in his report for the year 1855-56, that a considerable quantity of silver has disappeared by robbery. In a former Despatch, reviewing the proceedings of the mint, we enjoined especial watchfulness on the part of the mint authorities, knowing the temptations to dishonesty to which the workmen in the mint are exposed, and we regret to learn that no effectual plan of supervision has yet been established. The Mint Master considers this liability to loss by theft as attributable to "defects inseparable from the peculiar responsibility of the bullion keeper." You have very properly called for a further report on this point, and we trust that you will shortly be in a position to inform us that effectual measures have been adopted to guard against any further loss from this cause, and we desire that you will transmit to us as soon as practicable the further proceedings on this important subject.

12. We also regret to observe, that the report on the mint accounts of 1855-56 was delayed till August 1857, partly in consequence of several errors in making up the mint accounts. We must express our serious displeasure that accounts which require particular accuracy should have been made up so carelessly.

| | *Rs.* |
|---|---|
| From 1850-51 to 1852-53 the value of coinage - | 6,06,41,906 |
| „ 1853-54 to 1855-56 „ „ - | 7,35,46,029 |
| DIFFERENCE - - - *Rs.* | 1,29,04,123 |
| AVERAGE INCREASE per Annum, *Rs.* | 43,01,374 |

13. On comparing the total value of the coinage during the last three years with the three years preceding, we find, as shown in the margin, an increase of 1,29,04,123 rupees, or an average of 43,01,374 rupees per annum, notwithstanding the very small amount of the coinage in the year 1854-55.

14. With his report for the year 1855-56, the Mint Master submits a statement, showing that, after deducting all charges and losses from the construction of the new Mint in 1831, down to that period, together with interest thereon, at 5 per cent. per annum, the result of the operations of the mint during that time (a period of 25 years) has been a total net profit of *Rs.* 40,66,575. 11.

15. It was with reference to this result that the mint committee, considering that if the mint was charged, as heretofore, with interest on the cost of the mint buildings, machinery, &c., it should also be allowed credit for interest on the amount of the profit realised since its construction, sanctioned the omission in late accounts of this item. We are by no means prepared to admit the whole of the amount for which credit is taken by your officiating Mint Master as profits of the mint, but enough may be admitted to lead us so far to concur in the view taken as to omit any charge for interest on the cost of the buildings, &c., of the new Mint.

16. We cannot close these remarks without expressing our sense of the great zeal and efficiency displayed by the late Major General Forbes, in conducting for a long series of years the important and responsible duties which devolved upon him as Master of the Calcutta Mint, and our regret at the great loss which the public service sustained by his death.

Copy Financial Letter from the Government of India, dated 27th April 1859, No. 61.

We have the honour to forward, for the consideration of your Lordship, a copy of a note, dated 11th February last, prepared by our Financial Secretary, regarding the issue of a Government Paper Currency in India.

2. Such a measure would certainly be productive of advantages. It would prove convenient both to the public and the Government, and it would afford, eventually, a very large saving to the State, as the minimum amount in circulation would be, in fact, a public loan, bearing no interest. But, on the other hand, it would involve very serious risks, which demand careful consideration.

3. In the first place, there may be risk of Government having the business of the transport of bullion thrown upon its hands. But this objection might, we think, be met by having several central treasuries at places where the largest disbursements are made, with not too large circles around them.

4. In the second place, it seems to us that it would be unwise to introduce this measure at a time when there is reason to suspect that the security of the Indian Government is regarded with mistrust by the sensitive community with which we have to deal. A refusal, or even an unwillingness to receive the notes, or an eagerness to convert them, might become damaging to the credit of the Government, and seriously embarrassing.

5. Lastly, we believe that the convertibility of the notes, on demand, would not be a sufficient guarantee against over-issue. When once the paper currency is established in public confidence, the temptation to take dangerous advantage of this confidence will be very great in a time of difficulty, if the power of doing so is left in the hands of the Government of India alone. Restriction by law, either to a certain amount of issue, absolutely, or to an amount relative to the balances in hand, will, in our opinion, be necessary. We think that such a law ought to be passed by Parliament, and not by the Legislative Council of India.

6. We do not consider it necessary to go into the details of a scheme of paper currency. Upon these we think it would be expedient to take the opinions of some of the most intelligent and influential bankers and merchants in India, before any final determination is come to regarding them.

7. Our present object is to obtain an expression of your Lordship's views in respect to an extension of the paper currency in India, in the manner proposed.

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Copy Financial Letter to the Government of India, dated 4th November 1859, No. 109.

1. The question of the introduction of a Government paper currency for India, which forms the subject of your Despatch, dated the 27th of April 1859, No. 61, has received from Her Majesty's Government the consideration due to its importance.

2. In the memorandum which accompanied your Despatch, your Financial Secretary suggests the issue of local notes by Government; the same to be receivable at the option of the public, and to be convertible at a few large treasuries, conveniently situated, in circles of country from 300 to 400 miles in diameter; the lowest denomination of such notes to be 10 rupees.

3. You, however, consider that, although such a measure would certainly be productive of some advantage, and would prove convenient both to the public and to the Government, it is nevertheless open to serious risk; and that there is at present an objection to the scheme, on the ground that it would be unwise to introduce it while the security of the Indian Government is still regarded with some degree of mistrust by the Indian community.

4. Her Majesty's Government are fully sensible of the advantage which might be derived from introducing a well-regulated paper currency into India; but the wisdom of cautiously avoiding any measure calculated, however slightly, further to increase the sensitiveness of the Indian money market, is so manifest, that they are not disposed at present to direct the introduction of a paper currency, whether in the form of Government notes, or by means of extended privileges to the chartered banks. I am, however, anxious that your attention should continue to be directed to this subject; and I shall be prepared to give every encouragement to a well-considered measure for the purpose, whenever the time shall appear to you to have arrived for introducing it.

5. As being intimately connected with this question, the advantage of giving to the "sovereign" currency in India, at a rate to be fixed from time to time by Government, has also been under consideration. At the present time the gold mohur, or 15 rupee piece, is not receivable at the Government Treasuries, its receipt having been prohibited by a notification, dated 22d December 1852, when it was found that the mohur would not circulate at the prescribed rate of 15 rupees, but was freely returned to Government to be exchanged for silver, and an apprehension was entertained that the Government Treasuries might be overloaded with gold.

6. A similar result might, in certain cases, arise from the circulation of the "sovereign" at a fixed rate; and as there is considerable difficulty in adopting any measure which has been suggested for the purpose of giving currency to gold coins, Her Majesty's Government refrain from issuing any directions on the subject until it shall have been further considered by your Government.

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COPY of CORRESPONDENCE between the Board of Control and the Board of Directors, with reference to the Currency of India, during the last ten years.

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COPY LETTER from the Assistant Secretary to the India Board to *J. C. Melvill*, Esq., Secretary to the East India Company.

Sir, India Board, 4 November 1852.

THE Lords of the Committee of the Privy Council for Trade have referred to the Commissioners for the Affairs of India the drafts of two charters, for which application has been made to Her Majesty in Council for incorporating two banks, the one to be intituled, "The Bank of India," the other, "The Bank of India, Australia, and China." The Board observe, that if these charters were granted, power would be conceded to the projected companies to establish banks in the British possessions in India, and they request that the Court of Directors will give their best attention to the draft charters thus applied for, and favour the Board with any remarks that may occur to them upon the subject of these applications.

I am, &c.
(signed) *Hugh Stark.*

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COPY LETTER from the Secretary to the East India Company to *C. L. Cumming Bruce*, Esq., M.P., India Board.

Sir, East India House, 11 November 1852.

I AM commanded by the Court of Directors of the East India Company to acknowledge the receipt of Mr. Stark's letter, dated the 4th instant, transmitting for any remarks which the Court may desire to make the drafts of two charters, for which application has been made to Her Majesty in Council, on behalf of institutions to be designated respectively "The Bank of India," and "The Bank of India, Australia, and China."

2. The Board are aware that the power of chartering banks in India has been confided by the Legislature to the authorities administering the Government of India. The Act of the 47 Geo. 3, c. 68, s. 8, gives to the local Governments of India authority to confer chartered privileges upon banks, and provides that the establishment of any bank or corporation in India shall not be valid or effectual until

until it shall have received the approbation of the court, subject to the control of the Board.

3. Premising this, there appear to the Court to be two questions for consideration: first, whether additional banking accommodation is required by the commercial community, and by the Indian public generally; and, secondly, whether in that case the operations contemplated by the proposed banks are likely to effect the object with benefit and security to the public interests. The Court are fully sensible of the benefits likely to result from banking establishments conducted on sound principles; but when exclusive privileges are solicited, they deem it important to exercise great caution, and to consider not only the necessity which may exist for the creation of new banks, but the character of the business which it is proposed to carry on.

4. On the first point of inquiry, the Court submit, that one important test, whether further banking accommodation is required in India, is afforded by reference to the extent to which the existing chartered banks have availed themselves of the permission to issue promissory notes. Under the charters of the banks of Bengal, Madras, and Bombay, authority is given to them to issue notes to the aggregate amount of five crores of rupees; but the Court having adverted to the last accounts received, find that notes to the amount only of 2,04,27,831 rupees were in circulation. But further, the Court observe, with reference to that provision of the charter under which the minimum cash balance is fixed at one-fourth of the outstanding obligations, that the Bank of Bengal possesses a cash balance of 1,40,04,422 rupees, whilst its liabilities amount to the sum of 1,90,19,874 rupees; that the Bank of Madras, with liabilities amounting to 23,10,060 rupees, possesses a cash balance of 25,56,142 rupees, being 2,46,082 rupees in excess of all its liabilities; and that the Bank of Bombay holds in cash 88,31,611 rupees against liabilities amounting to 1,09,39,066 rupees. It follows that these three banks retain at the present time an aggregate cash balance of an amount sufficient to enable them, under the provisions of their charters, to incur an aggregate liability of more than 10 crores of rupees, in place of only 3,22,69,000 rupees, the actual aggregate amount. From these facts, the Court deduce the inference that there is no necessity for the establishment of additional banks in the Presidency towns of India, so far as any legitimate purpose is concerned.

5. With reference, however, to the second point of inquiry, namely, the nature of the schemes now brought under the consideration of the Court, I am directed to observe, that in the case of both the projected banks, it is contemplated to add to the regular business of banking, the dealing in exchanges between this country and India, a species of business which the chartered banks now established in India are expressly prohibited from undertaking. Without entering upon the question how far the dealing in distant exchange operations is compatible with legitimate banking, the Court are decidedly and very strongly of opinion that, with a due regard to the interests of the Indian community, it would be highly inexpedient to confer a charter with limited liability upon any banking company which may design to engage in the business of exchange. It needs no argument to prove that the bank which proposes to issue notes, and at the same time to engage in business of a speculative character, requires every check which can be placed upon its proceedings, with a view of insuring the security of its customers; and to allow to the partners in such a scheme the privilege of limited liability would, in the Court's opinion, be tantamount to removing the main check against improper and reckless management. The Board will be aware that it is not long since a glaring instance of this kind occurred in the case of the Union Bank of Calcutta, with a large paid-up capital, and with unlimited liability, thus presenting a greater security for good management than could be reasonably expected if the liability had been limited. In that case much embarrassment, loss, and ruin resulted to individuals, both shareholders and creditors, which ought to prove a lesson, not only to the promoters of joint-stock banks, but especially to the Government, to be careful how they give the sanction of a charter to operations which, even where the subscribers have every motive of self-interest to influence them, have failed to prove other than pernicious and destructive.

6. In reference, moreover, to the effect which exchange banks might have

on the financial operations of the Government of India, the Court content themselves with observing, that, having suspended the system of hypothecations which has been supposed to interfere with the legitimate functions of commerce, it would not be desirable (unless indeed in view to objects of paramount importance), that their remittance transactions should be interfered with by the speculative operations of banks invested with chartered privileges.

7. With regard to the projected "Bank of India, Australia, and China," I have to remark, that it appears, from the accounts of external and internal commerce for 1849–50 (the last year for which the accounts have been received), that the total imports and exports between India and Australia amounted in value to the trifling sum of 7,79,762 rupees. It is probable that, in consequence of the subsequent discovery of gold in Australia, the trade returns of the current year will show an augmentation; but the Court apprehend that the flow of gold into India from Australia will, in a measure, have received a check upon the announcement of the withdrawal of the Government Proclamation, under which officers in charge of public treasuries have hitherto been permitted to give silver in exchange for gold at fixed rates. So far, therefore, as the commerce between India and Australia is concerned, there does not appear to the Court to be any profitable opening for the establishment of the projected bank.

8. The Court, in conclusion, desire me to draw the Board's attention to the proceedings which have taken place on former occasions, when similar applications have been submitted to them. It will be in the Board's recollection, that, when application was made in the year 1840 for the grant of a charter to the "Bank of Asia," objections were taken by the Court to extending to its promoters the privilege of limited liability. Those objections were fully stated in my letter to Mr. Clay, dated the 30th April 1840. More recently, in the case of the joint-stock banks now existing in India, it has been decided, after mature consideration, not to extend to them any advantage except that of facilitating their legal proceedings, by enabling them to sue and be sued in the name of one or more of their officers. The Court still entertain the opinion which they formerly expressed, nor do they see any reason to modify it in favour of the banks now projected. It should be remembered, that it is not essential to the carrying on of their business by these banks that they should possess charters of limited liability; for, with the exception of the three establishments at the Presidency towns, no bank at present existing in India possesses this privilege.

9. For the reasons now stated, the Court command me to express their opinion, that it is neither necessary nor expedient to grant the charters solicited on behalf of "The Bank of India," and "The Bank of India, Australia, and China."

I have, &c.
(signed) *Jas. C. Melvill,*
Secretary.

*P. S.*—The drafts of the charters are herewith returned.

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EXTRACT Letter, dated 14th July 1853, from Sir *T. Redington,* K.C.B., Secretary at the India Board, to *J. C. Melvill,* Esq., Secretary to the East India Company.

THE charter of the Oriental Bank restricts that establishment from issuing notes without the consent of the Lords Commissioners of Her Majesty's Treasury, and under such conditions as they shall approve. The Board have already expressed to their Lordships that they consider that such sanction should not be given, as far as regards the Indian territories, without previous communication with them, and with the Court of Directors, and they have received the assurance that there is no intention of giving practical effect to that provision of the charter as regards India, except in accordance with the views of this Board.

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EXTRACT Letter, dated 11th August 1853, from *J. C. Melvill*, Esq., Secretary to the East India Company, to Sir *T. Redington*, K.C.B., Secretary at the India Board.

Para. 5. WITH reference to that para. of your letter of the 14th ultimo, which relates to the restriction imposed upon the Oriental Bank from issuing notes without the consent of the Lords of Her Majesty's Treasury, and under such conditions as they shall approve, the Court submit that the power to issue notes in India could not be properly granted without previous communication with the authorities administering the Government of India, and the Court are of opinion that it would not be expedient to give such power either to the Oriental Bank, the Bank of Asia, or the Bank of India, Australia, and China.

# EAST INDIA (COINAGE).

RETURNS, for the last Ten Years, of the Amount the PRECIOUS METALS, Coined and Uncoined, i ported into *India*, and entered at the Custom Hou at each of the Three Presidencies; and the Amou of COINED MONEY issued by the Calcutta Mint f the same Period; also, COPIES of ACTS or ORD NANCES of the Governor General in Council, f regulating the CURRENCY of *India*; and, CORRE SPONDENCE between the Government of *India*, th Board of Control, and the Board of Directors, with reference to the CURRENCY of *India*, during the same Period; &c.

*(Lord Alfred Churchill.)*

*Ordered, by* The House of Commons, *to be Printed,*
27 *April* 1860.

[*Price* 11 *d.*]

# EAST INDIA (CIVIL FUND).

RETURN to an Address of the Honourable The House of Commons, dated 1 June 1863;—*for*,

"COPIES of PUBLIC DESPATCH to the Government of *Bengal*, dated the 23d day of February 1831, No. 12:"

"Of FINANCIAL DESPATCH to the Government of *Bengal*, dated the 24th day of April 1849, No. 15:"

"Of FINANCIAL LETTER from the Secretary to the Government of *India*, to the Accountant General to the Government of *India*, dated the 21st day of September 1859, No. 8037:"

"Of MEMORIAL from the Bengal Civil Servants to the Honourable the Court of Directors of the East India Company, dated the 25th day of September 1833:"

"Of FINANCIAL DESPATCH to the Government of *India*, dated the 27th day of May 1835, No. 7:"

"Of NOTIFICATION by the Managers of the Bengal Civil Service Annuity Fund, dated the 12th day of November 1841:"

"Of LETTER from the Secretary to the Bombay Civil Fund to the Secretary to the Government of *Bombay*, dated the 23d day of August 1850:"

"Of FINANCIAL DESPATCH to the Government of *Bombay*, dated the 5th day of March 1851, No. 10:"

"Of FINANCIAL DESPATCH to the Government of *India*, dated the 23d day of June 1852, No. 28:"

"Of FINANCIAL DESPATCH to the Government of *India*, dated the 18th day of August 1852, No. 41, and Enclosure:"

"And, of FINANCIAL LETTER from the Government of *India*, dated the 9th day of March 1853, No. 11, and Enclosures."

India Office,
12 June 1863.

T. L. SECCOMBE,
Secretary, Financial Department.

(*Mr. Newdegate.*)

*Ordered, by* The House of Commons, *to be Printed*,
15 *June* 1863.

# PAPERS RELATING TO THE CIVIL FUND (INDIA).

## Copy of Public Despatch to the Government of *Bengal*, dated 23 February 1831, No. 12.

We approve of your having effected the reduction of the Government of Prince of Wales' Island, Singapore, and Malacca, to a Residency, administered by a Chief Resident at Singapore, with a Deputy Resident at each of the other stations of Prince of Wales' Island and Malacca.

Answer to letter from, dated 25 May 1830. Reporting proceedings as to the future administration of the settlements of Prince of Wales' Island, Singapore, and Malacca.

2. The salaries which you have fixed for these stations, viz., 36,000 rupees per annum for the Chief Resident, and 24,000 rupees per annum for the Deputies respectively, have our approbation.

3. We observe that when, in accordance with the tenor of our instructions, dated the 7th of April 1829, para. 15, you appointed Mr. Fullerton, the late Governor of the incorporated settlements, to act as Chief Resident for the short period of his intended continuance in India, subsequent to the abolition of the Government, you determined that he should draw only the salary of Chief Resident, instead of that which he had previously drawn as Governor.

4. Considering that Mr. Fullerton's services must have been of great importance in bringing the new plan into operation, we are of opinion that he ought not to suffer any reduction of income for the period that he may have continued to serve after the designation of Governor had ceased; and we therefore authorise you to issue to his agents the difference between the salary of Governor and Resident for that period.

5. We perceive with satisfaction that you have been enabled to dispense with the offices of Collector of Revenue and Superintendent of Convicts, our Governor General having recorded his opinion (in which we concur), that the revenue may be collected by the Resident and Deputy Residents and that the duty of superintending the convicts may be efficiently performed by a conductor.

6. At each of the stations there is to be a covenanted assistant, to whom you have assigned a salary of 7,200 rupees per annum, instead of 10,000 rupees per annum, as suggested in the 12th para. of our Despatch, dated the 7th of April 1829.

7. We do not approve of this reduction. Considering the nature of the duty and the extent of the responsibility which must devolve upon the assistants, and considering also the disappointment in the ultimate prospects of the servants upon the civil establishment of the incorporated settlements, we cannot think that the salaries ought to be less than 10,000 rupees each, and at that amount we therefore desire that they be fixed, subject, however, to the restrictions imposed by the Act of the 53d Geo. 3, c. 155, s. 82, upon the salaries of servants not having served certain periods therein prescribed.

8. We do not concur in your proposition for transferring all the civil servants, or any of them, to the establishments of the other Presidencies.

9. Our intention, however, is, that the persons holding offices at Prince of Wales' Island, Singapore, and Malacca, shall, to all intents and purposes, be subordinate to your government, and act only under your orders. No further appointments will be made by us to the Civil Service of the incorporated settlements, the servants for which will ultimately, and so soon as all the supernumeraries are absorbed, be chosen from among your civil servants.

10. We are aware that several of the servants are supernumerary. This difficulty will, however, we trust, in a great measure, be removed by the operation of the scale of pensions upon which we have authorised you to permit such servants to retire.

11. We do not deem it expedient to make any alteration in the amount of these pensions; but, as a further inducement to the servants to retire, we authorise you, in conformity with the suggestion contained in Mr. Fullerton's minute of the 11th of January 1830, to grant to the servants who may retire an allowance of passage-money in the event of their returning to Europe. We desire, however, that this in no case exceed 2,000 rupees.

12. We observe that the civil servants' contributions to the annuity fund had been returned to them with interest previously to the receipt of our orders for granting pensions to servants upon their relinquishing their right to such contributions. We shall not, however, require any refund on this account.

13. Supernumeraries who may decline to retire, are to draw the allowances of servants out of employ, viz., 325 rupees a month if of the rank of a senior merchant, and 244 rupees a month if under that rank, whether junior merchant, factor, or writer; and such supernumeraries will be eligible to fill the offices of resident, deputy, and assistant, as vacancies occur, if deemed eligible by you.

14. Supernumeraries so circumstanced may, at any time, retire upon the pension which we have fixed, reckoning, however, for that purpose, their period of service only up to the time when they ceased to hold office. The subsequent tenure of office is, of course, to bar the grant of any pension unless upon the terms and conditions prescribed by us for the institution of an annuity fund at the incorporated settlements.

15. The number of the servants upon the reduced establishment is obviously too limited to allow of or to require the machinery of a separate fund.

16. The principle of it may be equally acted upon by requiring those servants to submit to a deduction of four per cent. per annum from their official emoluments, and allowing them, after completing 22 years' actual residence, to retire upon pensions of 500*l.* per annum each, upon payment of such sum as, when added to the accumulated amount of the deductions with interest, will equal half the value of such an annuity, according to the tables annexed to the regulations of the several civil service annuity funds.

17. With respect to uncovenanted assistants, and clerks who may have become supernumerary under these new arrangements, to such of them as fall within the scope of the regulations under which provision is made for persons of a corresponding class at your Presidency, we shall not object to the grant of a similar advantage. To all others we authorise the grant of a gratuity equal to three months' pay, upon receiving which, they are to be given to understand that they have no further claim upon us.

18. In fixing 20,000 rupees per annum as the expense of chaplains, we did not contemplate the employment of more than two. We observe, however, that you have arranged for the employment of a missionary at one of the stations at an expense of 2,500 rupees per annum.

19. We admit the desirableness of making some provision to ensure the presence of a clergyman at each of the three stations, and we therefore approve of the employment of a missionary at one of them. But we do not think that on that account the salaries of the regular chaplains should be reduced.

20. As, however, the allowance to the chief medical officer under the new arrangement is limited to 9,600 rupees per annum, we desire that the income of each of the chaplains be also fixed at that amount.

21. As vacancies occur, we shall fill them up by appointments to your ecclesiastical establishment, leaving it to you to make the selection from among your chaplains.

22. With respect to the medical establishment, we have to acquaint you that Dr. Alexander, who was the superintending surgeon at the period when we issued our orders of the 7th of April 1829, has been permitted by us to retire on a pension.

23. Mr.

23. Mr. Whitaker, the only full surgeon, will continue to act in that capacity, with the reduced allowance of 9,600 rupees per annum. The four assistant surgeons are to be transferred to the bottom of the list of your medical establishment, from which you will appoint an assistant surgeon for each of the three stations, who is to receive in that capacity the allowance of 4,800 rupees per annum, as proposed by you. You cannot, we conceive, do better than appoint to these stations three of the four now to be transferred.

24. The military force will continue to be supplied as at present. We entirely agree in the opinion of our Governor General that the extent of it, viz., 1,200 men, is fully sufficient.

25. We regret the delay which has occurred in the preparation of a new charter of justice: it has, however, been unavoidable, as it was not possible to frame it until we were acquainted with the precise constitution of the Residency, regarding which a discretion was left to you by our orders.

26. Being, however, now in possession of that information, we have preferred the requisite application to his Majesty, and we hope to be enabled, in a very short time, to transmit the new charter.

27. In the meantime we conclude that justice will have been administered under the old charter. Mr. Fullerton is, as we are advised, mistaken in supposing that the alteration in the Government could cause that charter to become inoperative.

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COPY FINANCIAL DESPATCH to *Bengal*, dated the 24th April 1849, No. 15.

Public letter, dated 27 September 1848, No. 21.

**Submits, for Court's consideration, whether Mr. E. A. Blundell, of the Penang Civil Service, should be relieved from further reduction from his salary, in aid of an annuity of 500 *l.*, he having already contributed more than a half of the value of an annuity of that amount.**

1. IT being a principle of our Civil Service Annuity Funds to require a contribution of four per cent. from the salaries of the members as long as they continue in the service, we are unable to depart from that principle in the case of Mr. Blundell, of the Penang Establishment.

2. Adverting, however, to para. 16 of our Despatch in the Public Department, dated 23d February 1831, No. 12, we direct that when Mr. Blundell shall retire from the service, his annuity of 500 *l.* be adjusted by refunding to him the amount which he may have contributed in excess of one-half of its value, according to the tables annexed to the Regulations of the Civil Service Annuity Funds.

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COPY FINANCIAL LETTER from the Secretary to the Government of India, to the Accountant General to the Government of India, dated the 21st September 1859, No. 8037.

Sir,

I AM directed to acknowledge the receipt of your letter, No. 1367, dated 16th instant, with enclosures, soliciting orders for the refund to Mr. E. A. Blundell, late Governor of the Straits Settlements, of that portion of his subscriptions (including interest), to the Penang Civil Service Annuity Fund, which exceeds the value of his annuity, and proposing the adjustment of a sum of *Rs.* 9,038. 15. 1., which has stood at his debit on the public books since 1839-40.

2. In reply, I am desired to inform you that, under the circumstances stated, and with reference to the instructions of the late Honourable the Court of Directors, conveyed in their Despatch noted in the margin, the Governor General in Council is pleased to authorise the Sub-Treasurer, Fort William, to make a payment to Mr. Blundell of the excess of his subscriptions (with interest), amounting to *Rs.* 51,707. 2. 7.

No. 15 of 1849, dated 24 April.

| | *Rs.* | *a.* | *p.* |
|---|---|---|---|
| Subscriptions to the Penang Civil Service Annuity Fund, with interest, up to August last - - | 77,405 | 6 | 7 |
| Deduct on account of the value of Mr. Blundell's half annuity of 500 *l.* - - - - - | 25,698 | 4 | - |
| Excess of Subscriptions - - *Rs.* | 51,707 | 2 | 7 |

3. His Excellency in Council further directs that the sum of *Rs.* 9,038. 15. 1., above adverted to, be adjusted on the public books by debit to profit and loss, as suggested in para. 2 of your letter under acknowledgment.

4. The original enclosures of your letter are herewith returned.

I have, &c.
(signed) *C. H. Lushington,*
Secretary to the Government of India.

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COPY of MEMORIAL from the Bengal Civil Servants to the Honourable the Court of Directors of the East India Company, dated the 25th September 1833.

YOUR memorialists, the undersigned members of the Bengal Civil Service, respectfully solicit the indulgent consideration by your Honourable Court of the state of things induced by the failure of our Annuity Fund, as constituted under your orders of the 8th of December 1824, to produce to any considerable extent the beneficial effects contemplated in its formation. The whole tenor of the Despatch above cited is demonstrative of the benevolent intentions with which the boon granted upon that occasion was bestowed upon the service, whilst the passages quoted in the margin * are amply sufficient to evince that the interests of the senior members, or even the prospective interests of the whole body, with reference solely to the means of retirement held out at the close of 25 years, were by no means exclusively regarded by your Honourable Court. On the contrary, these and other expressions prove the desire of your Honourable Court to combine a liberal consideration for those who had already rendered the State their full proportion of labour, with a system of advancement for your servants still in the prime of life, which, while it would be highly advantageous to themselves personally, should also secure to your government and the public the utmost benefit from their exertions during the most valuable period of their residence in India. But your Honourable Court need not be told how far the practical operation of the plan has fallen short of the estimate formed in 1824 of its probable effects. In the 50th para. of your general letter above referred to, you even deemed it necessary to state arguments in support of your opinion, that the annual grant of nine annuities would be sufficient to meet the demands of the service; but the list of those who have availed themselves of the benefits held out by the institution during the seven years from 1825–26 to 1831–32 inclusive, exhibits only 31 names, or somewhat less than half of the number who might have retired upon annuities within that period. Thus, through the inability of those classes of the service to whom the annuities are immediately open, to avail themselves of the advantages to which their standing entitles them, their juniors, to whom the present benefits of the institution are necessarily contingent upon the readiness of the former class to retire upon the proffered terms, have been precluded from rising to the higher trusts and emoluments of the service; while the public objects which were contemplated by your Honourable Court from their more rapid promotion have not been attained. Moreover, there is every reason to believe that the stagnation of promotion from the paucity of retirements will be still more painfully felt during the ensuing four or five years. It is too well known that the late successive mercantile calamities in the city have fallen heavily upon many of the senior members of the Civil Service; and those have naturally been the greatest sufferers who were best prepared to accept the annuity at an early date. Those have now been thrown back, and your memorialists see good grounds for apprehension, that several years must elapse before the applications for annuities become again even so frequent as they have been during the seven years

* "As occasioning the return of the Company's servants to Europe by a quicker movement than would otherwise take place, and thus securing to the Company the service of Europeans in the most active period of their lives, and making way for the advance of younger servants." Para. 33.

"These advantages should certainly be considered, because, in order that the fund may be beneficial to the service, it is important that all the annuities from it as they arise should be accepted by old servants." Para. 43; *see* also close of para. 57.

years which closed with 1831-32. In consequence of the short acceptances above noticed during those seven years, an unappropriated balance has accumulated to the extent of 33,54,803 sicca rupees, or nearly 20 lacs in excess of the balance estimated by your Honourable Court as likely to be in hand at this time (viz. 13,61,043 sicca rupees). There are 32 annuities unaccepted up to the close of 1831-32; and taking the average retirements during the five ensuing years at seven for two years (which is probably beyond the mark), there will be no less than 57 in abeyance at the close of the 12th year. Whilst, therefore, it is manifest, as your memorialists would submit, that the institution has failed to accelerate promotion to an extent at all commensurate with the liberal views of your Honourable Court, it is equally evident that there exists a large unappropriated balance beyond the accumulation anticipated. It is this difference between the actual and the estimated surplus, or such portion of it as may be considered fairly available with reference to the existing claims on the unappropriated funds, that your memorialists regard as a fund which might be made to supply that "inducement to old servants to retire" which hitherto the plan has so insufficiently afforded. This object your memorialists think can only be effected by the grant from the above-mentioned fund of such an addition to the gratuitous portion of the annuity as shall be sufficient to counterbalance the natural disinclination of "old servants, in the possession, as they generally are, of lucrative offices" (to quote the words of your Honourable Court), to retire from these posts under existing circumstances. At a general meeting, held on the 26th ultimo, it was unanimously resolved, that the manner and extent to which the existing plan should be modified in order to create a sufficient inducement to the prompt acceptance of annuities should be left to the wisdom of your Honourable Court. The interests of every class of your Civil Service are deeply involved in the result of this memorial; but your memorialists feel the most entire confidence in your benevolent intentions towards them, and that you will not refuse to originate, at your memorialist's solicitation, such a departure from the letter of the scheme of 1824, as shall enable it to accomplish the liberal objects contemplated in the institution of the fund. In conclusion, your memorialists request, with a view to prevent individuals from deferring their retirement until the determination of your Honourable Court shall be made known, that such modification of the existing rules in regard to the amount of annuities as your Honourable Court may be pleased to sanction be declared applicable to the annuities which shall be taken for the ensuing year 1834-35.

(signed) *T. Plowden,*
*C. Macsween,*
and 319 other civil servants.

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## Copy Financial Despatch to the Government of India, dated the 27th May 1835.—No. 7.

1. Our attention has lately been given to memorials from the members of the Civil Services upon the Bengal and Bombay Establishments, praying that such modifications may be made in the regulations of the Annuity Fund as will enable it to apply unappropriated annuities.

2. Towards the accomplishment of that object, we are prepared to suspend for the present any deduction from our contribution, or from the rate of interest allowed on the accumulations of the fund for which provision is made in the 62d paragraph of our letter in the Public Department of 8th December 1824, and to sanction the following arrangements. The funds may grant, at half their value, pensions to civil servants, who, after a residence in India of not less than 10 years, shall, previously to completing the prescribed term of 22 years' residence, be compelled by illness to leave India with the intention of quitting the service, such illness to be certified by the medical attendant of the subscriber, and countersigned by a member of the Medical Board, in all cases occurring after the receipt of this Despatch, and confirmed in each instance of retirement by our Examining Physician, after the individual shall have completed a subsequent

residence in this country of at least 12 months. It occurs to us that the following would be a suitable scale for such cases:—

| | |
|---|---|
| After a residence of 15 years and upwards - - - | 500 *l.* a year. |
| Ditto - - 10 years, and less than 15 years - | 250 *l.* a year. |

These pensions are to be, of course, granted only in case of an equivalent amount of the larger annuities within the limit prescribed by us remaining unappropriated.

3. The case of servants compelled by sickness to quit India previously to having completed 10 years' residence would, we think, be properly met upon the production of the certificates above required by the grant from the unappropriated funds of a donation of 500 *l.*

4. In considering what further measures can be taken upon this subject, we have adverted to our Despatch, dated the 5th of March 1828, and we now authorize the payment in India of the annuities to civil servants, who, after becoming annuitants, may wish to reside there; such payment to be made in cash in India, at the rate fixed by the regulations of the fund.

5. We shall also be prepared to acquiesce in a regulation to the following effect, if adopted by the subscribers, viz.:

That at the close of every year the number of unaccepted annuities be publicly declared, and that two-thirds of them be appropriable to subscribers duly qualified in the order of seniority, as respects the applicants, within the period of three months from the time of the surplus being declared, and as respects other applicants in the order in which they may apply for annuities, upon payment of one-fourth, instead of one-half, of the value of the annuity; and that in the event of the accumulated subscriptions, with interest exceeding the said one-fourth, the balance, with interest, be returned to the subscriber; that the remaining one-third of annuities, together with such of the two-thirds as shall not be claimed within the period of three years from the time of declaring the surplus, shall lapse to the fund.

6. The regulation last authorised is to be continued in force for such limited period as will afford a fair trial of its effects. We are disposed to consider three years after the 30th April next as a suitable time; and we desire that 12 months before the expiration of the period so fixed there may be transmitted to us particular information of the state of the Civil Annuity Funds at that date, and of the effects produced by the modification of the conditions of the funds to which we now refer, in order that we may determine upon the propriety of its continuance, or otherwise.

7. It is proposed by the subscribers that the annuities shall be paid quarterly, and up to the period of decease. To this arrangement we have no objection, provided the sum paid to the fund by the subscriber, upon becoming an annuitant, be proportionately increased. Unless this be done, the calculations upon which the fund is based will be deranged. We must further observe upon this part of the subject, that the payment by the subscriber must be the whole, and not (as the subscribers have assumed) the half, of the value of the increased advantage.

8. With this modification we sanction the proposed arrangement, and shall not object to give the benefit of it to such of the present annuitants as shall apply for it, and pay the required sum into our treasury.

9. We take this occasion to observe, that entrusted, as the several local governments are, with the important duty of fitly supplying the officers subject to their authority, they will be without excuse if, upon any pretence whatever, they allow of the retention of office by servants who, from age, infirmity, or other disqualifying cause, are no longer capable of rendering good service.

10. It was one object of the Annuity Fund to facilitate the retirement of such persons; and in cases where they may not of their own accord retire, they should be placed on the list of servants out of employ.

11. You will communicate the contents of this Despatch to the Governments of Bengal, Madras, and Bombay.

NOTIFICATION.

THE Managers of the Civil Service Annuity Fund have the pleasure to publish, for the information of the Subscribers, the subjoined Despatch from the Honourable the Court of Directors.

(No. 685.)

To *H. V. Bayley*, Esq., Secretary to the Managers of the Civil Service Annuity Fund.

Sir,

WITH reference to the papers noted in the margin,* I am directed to transmit to you, for the information of the managers, and for communication to the subscribers of the Civil Service Annuity Fund, the accompanying extract, paras. 1 to 5, from a Despatch from the Honourable the Court of Directors, No. 29, dated the 1st September last.

* Letter from the Managers of the C. S. A. Fund, dated 7th April 1838, and enclosures.

From Secretary to ditto, with enclosures, dated 30th June 1838.

From ditto, dated 23d January 1841, with enclosures.

I am, &c.
(signed) *G. A. Bushby*,
Secretary to Government of Bengal.

Fort William,
23 October 1841.

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EXTRACT from a Letter from the Honourable the Court of Directors in the Financial Department, No. 29. of 1841, dated the 1st September, addressed to the Government of Bengal.

Para. 1. AFTER fully considering this subject, with the view of meeting the reasonable hopes of the subscribers to the fund, and at the same time maintaining the principles on which it was originally constituted, we have determined to concur in an arrangement to the following effect, should it prove acceptable to the subscribers; viz., that on the 1st May in each year the actual unappropriated balance of the fund be compared with the balance estimated in the prospective calculation upon which the fund was formed; that half the excess be regarded as accumulated capital available for the purposes of the fund, and that the nine annuities annually offered at half value be granted at such rate as may thereby be afforded, provided that in no instance shall they be granted at less than a quarter value.

| | *Rs.* |
|---|---|
| Actual balance of fund on 30th April 1840 - | 52,34,838 |
| Estimated balance of fund on the 15th year of its institution - - - - - | 24,40,175 |
| Excess of actual over estimated balance - | 27,94,663 |
| One-half - - *Rs.* | 13,97,331 |

2. With respect to refund of subscriptions, we are disposed to meet the views of the majority of the subscribers to the extent of confining refund to the excess which may have been paid beyond the half value of the annuity; such an arrangement being in accordance with the regulations of the fund.

3. If the subscribers shall adopt a rule in strict conformity with the principle which we have explained, it will receive our sanction, and we shall be prepared to authorise its being acted upon retrospectively from the 1st May 1840, should the managers thereby be enabled satisfactorily to adjust the claims of parties who then either accepted annuities at the half value in expectation of refund, if the experimental plan were continued, or declined these terms pending our decision. The point, however, must rest with the managers, and it is not our intention to exercise any interference in individual cases.

4. Under the arrangement which we have now authorised, one-half the surplus will still remain unappropriated, and it is our fixed resolution to make it available, to a reduction of the Company's contribution to the fund under the provisions contained in the 62d para. of our Despatch to Bengal in the Public Department, dated 8th December 1824.

5. In requiring this resolution to be carried into effect, it may be proper to observe, that it is from the *actual* surplus balance of the fund in excess of the estimated balance, as shown in the prospective estimate which accompanied our Despatch of the 8th December 1824, that the Company are entitled to a reduction from their contribution, and not from an imaginary surplus to be obtained upon the principle adopted in Statement B., recorded on your proceedings in the Public Department of the 17th May 1831, No. 20.

(True extract.)

(signed) *G. A. Bushby*,
Secretary to Government of Bengal.

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2. The subscribers will perceive that by the above Despatch the Honourable Court places at their disposal the income on *half* of the excess of the annual unappropriated balance for the purpose of improving the rate at which annuities are to be in future granted. The annual income so available on the 1st of May 1840, amounted to a sum of 82,012 rupees, as per margin.* Assuming that sum as an average amount which may become in future available in May of every year, the question is how to apportion it amongst retiring annuitants. The following statement has been prepared to show how this apportionment may best be made, and is recommended for the votes of subscribers by the managers. It contemplates the division *in equal shares* of the annual sum available amongst the nine yearly annuities (*see* Columns 5 and 8).

| | *Rs.* |
|---|---|
| * Balance, 30th April 1840 | 52,34,837 |
| Deduct two fines paid on 30th April 1840, belonging to 1840-41 | 60,904 |
| True Balance | 51,73,933 |
| Estimated Balance as per prospective statement for 15th year | 24,40,175 |
| Excess | 27,33,758 |
| Half Excess | 13,66,879 |
| 6 p' c. | |
| Income | 82,012 |

## STATEMENT,

Illustrative of the HOME ORDERS as proposed to be applied to the RETIRERS of 1840-41, and for the Future.

| Qualified and successful Applicants. | 1. Value. | 2. Half Value. | 3. Balance of Subscribers' Accounts. | 4. Fine required under old Rules to make up Half Value. | 5. The Sum of 82,012 Rupees divided equally amongst Nine, to improve their Balances to meet Fine. | 6. Net Sum, after Improvement of Balance, payable as Fine to make up Half Value. | 7. Excess remaining. | 8. The Excess remaining in Column 7 divided amongst the other Eight Annuities in further diminution of Fine stated in Column 6. | 9. Net Amount of Fine ultimately to be made good. |
|---|---|---|---|---|---|---|---|---|---|
| | *Rs. a. p.* | *Rs. a. p.* | *Rs. a. p.* | *Rs. a. p.* | *Rs. a. p.* | *Rs. a. p.* | *Rs. a. p.* | *Rs. a. p.* | *Rs. a. p.* |
| A. | 1,05,024 – – | 52,512 – – | 23,686 – 1 | 28,825 15 11 | 9,112 7 1 | 19,713 8 10 | – – | 357 – – | 19,356 8 10 |
| B. | 1,05,024 – – | 52,512 – – | 24,855 5 2 | 27,656 10 10 | 9,112 7 1 | 18,544 3 9 | – – | 357 – – | 18,187 3 9 |
| C. | 1,06,453 5 4 | 53,226 10 8 | 30,334 12 – | 22,891 14 8 | 9,112 7 1 | 13,779 7 7 | – – | 357 – – | 13,422 7 7 |
| D. | 1,10,464 – – | 55,232 – – | 35,740 13 8 | 19,491 2 4 | 9,112 7 1 | 10,378 11 3 | – – | 357 – – | 10,021 11 3 |
| E. | 1,10,464 – – | 55,232 – – | 26,669 11 8 | 28,562 4 4 | 9,112 7 1 | 19,449 13 3 | – – | 357 – – | 19,092 13 3 |
| F. | 1,07,840 – – | 53,920 – – | 19,484 9 8 | 34,435 6 4 | 9,112 7 1 | 25,322 15 3 | – – | 357 – – | 24,965 15 3 |
| G. | 98,912 – – | 49,456 – – | 43,199 15 2 | 6,256 – 10 | 9,112 7 1 | – – | *2,856 6 3 | — | — |
| H. | 1,11,712 – – | 55,856 – – | 26,679 14 3 | 29,176 1 9 | 9,112 7 1 | 20,063 10 8 | – – | 357 – – | 19,706 10 8 |
| I. | 1,07,840 – – | 53,920 – – | 29,258 – – | 24,662 – – | 9,112 7 1 | 15,549 8 11 | – – | 357 – – | 15,192 8 11 |
| *Rs.* | 9,63,733 5 4 | 4,81,866 10 8 | 2,59,909 1 8 | 2,21,957 9 – | 82,012 – – | 1,42,801 15 6 | 2,856 6 3 | 2,856 6 3 | 1,39,945 15 6 |

* As the orders of the Honourable Court do not allow of refunds, except in the case of an excess of subscriptions beyond half value, this amount will remain to improve the terms of the other eight pensions, as shown in Column 8.

3. With regard to refunds the subscribers will observe, that the Honourable Court state that they are disposed to meet the views of the majority of the subscribers to the extent of confining refunds to the excess which may have been paid beyond the half value of the annuity, such arrangement being in accordance with the regulations of the fund; but the members will recollect that the wishes of the majority of the subscribers were conveyed in the following express terms: "That the Honourable Court will permit the fund to grant annuities, not exceeding nine in number, to the extent of the annual fixed income of the fund from subscriptions, your donation, and interest on the fixed capital, under the condition of requiring retiring servants to make good to the extent of a quarter of the value of their annuities, receiving no refunds of any excess in the amount of their subscriptions in case these should at the time of retirement, with interest, exceed the quarter value of the annuity taken." Still the Honourable Court having issued the present instruction in regard to refunds, and having otherwise definitely expressed

expressed their pleasure on the memorial and other papers submitted, it but remains for the managers to recommend, for the favourable consideration and votes of the subscribers, the subjoined rules, framed in obedience to the instructions of the Home authorities.*

Rule 35. On the 30th of April 1842, the managers shall compute the excess of balance of the unappropriated funds of the institution above the balance estimated for the same period in the prospective calculation upon which the fund was formed. One-half of the amount of such excess shall be considered to be a capital available for the purposes of the fund, namely, for the improvement of the rate at which the annuities, accruing under Rules 8 and 11 on the 1st of May 1842, are to be granted, to the extent of the income derivable at the rate of 6 per cent. from the said half excess of balance. In like manner, on the 30th of April of every succeeding year, the managers shall compute the excess of actual balance over the estimated prospective balance at the same date, and shall appropriate the income arising therefrom to the improvement of the purchase rate of the nine annuities accruing on the 1st of the following May: Provided, however, that in no instance shall any annuity be granted under this rule at a rate less than the quarter of the value thereof. And in case of the annual sum to be distributed amongst the nine yearly accruing annuities, in the manner provided in the following rule, being at any time in excess of the proportions required to make up, with the balance of the subscription accounts of the retirers thereon, the half value of each of the said nine annuities, such excess shall be reserved and be made available in the succeeding year, in addition to the income accruing from the half of the excess balance of the year, towards the reduction of the rate of premium at half value payable for the said annuities, under the provisions and limitations above specified.

And it is further provided, that in the event of any of the nine annuities of any year remaining untaken on the 1st of May of such year, the proportionate share of the annual sum distributed amongst the nine annuities of that date which shall have been set to such untaken annuity shall remain reserved for the benefit of the qualified subscriber who may at any subsequent date claim and retire on such untaken annuity.

Rule 36. 1st. After the above computation shall have been calculated, the managers shall make the distribution of the annual sum which may be found available for the improvement of the rate at which each of the nine yearly annuities may be granted, in the manner following:—The aggregate sum available on the 1st of May of every year shall be divided into equal shares for apportionment equally amongst the nine annuities accruing on that date, according to the statement above cited. The amount of fine which a retiring member will have to pay shall be such an amount as, with the balance of his subscription account, and the sum apportioned to the annuity reserved for him as above provided on the 1st of May of such year, will make up the half of the value of the annuity according to his age. And it is provided, that in the event of the balance of the retirer's account alone amounting to a sum equal to the half value of his annuity, the share or sum apportioned to the annuity reserved for him shall be taken and distributed equally amongst the other annuities of the same year in further diminution of the fines at half value which may be required from the retirers on these. In like manner, if the balance of any retirer's account as aforesaid, *together with the sum or sums which may have been apportioned to the annuity reserved for him*, amount to a sum *in excess* of the half value of his annuity, such excess shall be taken and divided amongst the other annuitants of the same year whose balances, with the sums apportioned to them as above, may fall short of the half value of annuity. And it is further provided, that in the event of any overplus remaining out of the sum found available in any year under Rule 35, after due distribution amongst the nine annuities of such year as above provided to the extent of making up with the balances the half value of each of the annuities, such remaining overplus shall be held available for distribution in the next succeeding year, under the general terms of this rule.

2d. It

* Should the subscribers hereafter find the operation of the refund rule detrimental, a representation to the Honourable Court can be made in the usual manner, when necessary.

2d. It is further hereby provided, that in the event of the balance of the subscription account of a retiring subscriber, to whom an annuity shall have been reserved or may be granted under the foregoing clause, amounting at the period of his retirement to a sum exceeding the half value of his annuity, the amount of such excess above the half value shall be refunded to him out of the proportionate sum which shall have been reserved to his annuity as above. And in case of such excess of balance amounting to *more* than the proportionate sum reserved to the said annuity, the difference shall be found out of the general funds of the institution.

[The votes of the subscribers on the Statement and on Rule 35, and the 1st clause of Rule 36, will appear under head A. of the accompanying Vote Paper: the votes on the 2d clause of Rule 36 will appear under head B.]

4. The subscribers will observe, that in the 3d para. of the Despatch the Honourable Court allow the managers to give retrospective effect to the proposed new terms in favour of annuitants * of 1840–41, who retired on payment of half value with the assurance (under the resolution of subscribers at the special meeting of 31st August 1840) of benefitting by any future terms of grant which might be sanctioned: the same high authority also leave it to the managers to extend the benefit to such members as might have before declined annuities pending the Court's final orders. The adjustment of the accounts of the eight annuitants who paid up the full half value in 1840–41, will be made according to the principle of the statement and rule which may be adopted by the votes of the subscribers on the proposition A. referred to above. In respect to any who may have declined, the managers do not conceive that they, if any such there be, have any claim to priority of consideration, as all qualified subscribers had the same precise terms offered as the above-mentioned eight, and there are no annuities open for any such member, the ninth untaken annuity of 1840–41, and the nine accruing last May, 1841–42, having been appropriated under quarter value terms; and the essential principle of the Court's orders seems to be an improvement of the rate of the nine yearly annuities that *have been* or *are to be granted*, not of those that have *not been allotted.*

5. With respect to the intention expressed by the Honourable Court of hereafter making available the remaining half of excess of the yearly unappropriated balance towards the diminution of their donation, it is to be observed that the excess balance consists entirely of the values of untaken annuities which had been absorbed under the experimental rules regulating the quarter premium annuities, shown to be so in the last quinquennial report on the state of the fund of June last, but which the Court could not have received at the date of their recent Despatch. Under the circumstances therein so fully explained, and the representations made of the *increasing excess* in the number of qualified members on the list awaiting the option of annuities, it remains with the subscribers to determine whether they will make any representation with a view to soliciting the Honourable Court to accede to some measure for giving the subscribers some benefit from the portion of *this* excess. In the meantime, however, there will have to be reserved for eventual appropriation by the Court the annual income from the half excess according to the provisions contained in the 62d paragraph of the Despatch of December 1824, which places at their disposal the *income* from excess of balance towards the reduction of the Company's annual contribution to that extent, as they desire should be done in future. In the same way it will rest with the subscribers to determine whether to make any further representation in regard to invalid annuities under Rule 37; for under the Court's present Despatch there is no provision made for the retirement of invalids of less than 22 years' residence under that rule passed in July 1836; for the means for such retirements came out of the values of the nine annuities before the appropriation of the two-thirds and one-third were made under Rules 35 and 36. Yet the Rule 37 is not discontinued,† and it was not considered a temporary rule, but a permanent one.

Page 13, para. 12.

† See last para. of Honourable Court's Despatch of 4 November 1840, viz., "Until that time, therefore, the 35th and 36th rules must be continued in force."

6. In

* Messrs. R. P. Nisbet, C. Phillips, R. C. Glyn, W. Wilkinson, H. Fraser, senior, T. P. B. Biscoe, W. Lambert, and J. Dunsmure.

6. In conclusion the managers beg to notify that the following are the applicants registered on the 1st November instant for the annuities of 1842–43; viz., [1] W. Monckton, [2] R. W. Maxwell, [3] J. E. Wilkinson, [4] N. Smith, [5] H. M. Parker, [6] T. A. Shaw, [7] J. Hunter. Thus seven of the nine annuities of 1842–43 have been secured by the gentlemen above-named under Rule 7; and will be appropriated to them on the 1st May next, under the terms of the rule which may be passed in pursuance of the Despatch of the Honourable Court of Directors of 1st September now circulated,

Each subscriber is requested to fill up and sign the accompanying vote paper according to his views.

By order of the Managers of the Bengal C. S. A. Fund,

*H. V. Bayley*, Secretary.

B. C. S. A. F. Office, 12 November 1841.

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## VOTE PAPER.

To the Chairman of the Annual General Meeting of Subscribers C. S. A. Fund, to be held at Calcutta on 1 January 1842.

| A. Vote for Principle of Rule according to Statement in Notification, Paragraph Second, and also Third. | B. Vote for or against Second Clause of Rule 36 (see Third Paragraph of Notification.) | |
|---|---|---|
| | For. | Against. |
| I vote for Rule 35, and Rule 36, clause 1st, to be framed according to the Statement appended thereto. | | |

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COPY of LETTER from the Secretary to the Bombay Civil Fund to the Secretary to the Government of Bombay, dated 23 August 1850.

WITH reference to your letters, noted in the margin, relating to the proposal of the Honourable the Court of Directors to alter the rule of the Civil Fund, which allows of contributions to the fund in excess of half the value of their annuities being refunded to parties on becoming annuitants, I am instructed by the trustees of the fund to report, for the information of Government, that the proposition has been circulated, as directed, for the votes of the service, and the result is, that of the votes collected only 12 are for the alteration, and 70 are against it. Nos. 1032 and 1737 of 21 March and 30 April last.

2. The trustees desire me to extract paras. 2, 3 and 4 of their report, read at a special general meeting on the 28th March last, as follows:—

"2. The trustees avail themselves of this opportunity to lay before the meeting a letter of Mr. Secretary Lumsden, dated 21st March 1850, forwarding a copy of a communication from the Honourable the Court of Directors relative to the refund to members retiring of any excess over and above the half value of their annuities which their contributions may have amounted to at the date of retirement. The Court are desirous that the rule should be abrogated by the service, being of opinion that its effects are to retard promotion and to increase the demands upon the Honourable Company."

 "3. The

"3. The trustees have to observe that the rule referred to is co-existent with the new fund; that, in their opinion, it has not hitherto operated as a check to promotion, nor do they think that it ever can do so, as no member continues in the service with a view merely to obtain a refund of a portion of his accumulated contributions; on the contrary, the being entitled to such a refund might very probably, in some cases, operate as a motive to retirement to members who have not otherwise the means to enable them to give up the service.

"4. On a reference to the accounts of the fund, the trustees find that only two members who have taken annuities at half value have had contributions refunded to them, viz., Messrs. Anderson and Marriott, amounting together to twenty-eight thousand one hundred and four rupees nine annas and eight pice (*Rs.* 28,104. 9. 8); out of 22 members who took the annuity under the temporary quarter value system, 13 received refunds aggregating seventy-four thousand one hundred and sixty rupees eleven annas and nine pice (*Rs.* 74,160. 11. 9.), but the contributions of no one of these had exceeded the half value. The trustees are therefore of opinion that the service at large would gain nothing by the abrogation of the rule, while the rights of some individuals, who have acquired a title to the refund under the system now in force, and which has been guaranteed to us by the Honourable Court on the first institution of the new fund, would be prejudiced by the proposed alteration. On the other hand, the amount refunded has hitherto been so small, and is likely to be so insignificant in future, that the contributions of the Honourable Company have not as yet been affected by the rule; and, in the opinion of the trustees, there is little probability that they would at any time be materially lessened if the refund were prohibited."

3. It is hardly necessary for the trustees, on the part of the service at large, to disclaim any intention of opposing the wishes of the Honourable Court. The rule, whether it remains as it is, or whether it be altered, is one that will affect very few individuals; but that circumstance does not, in the opinion of the trustees, bear upon the principle involved in the question. One of the fundamental principles upon which the scheme of the new fund was based was, as expressed in the 57th para. of the Honourable Court's Despatch, that "all servants, upon becoming annuitants, will pay half the value of their respective annuities, *and no more.*" This principle can only be carried out by a refund to those who, on retirement, are found to have contributed more than the one-half. Such servants, it may be remarked, must have considerably overstayed the minimum period of service, 25 years, and while they are required to continue their contributions, and undergo the risk of losing the whole, they acquire no title to a superior pension from a lengthened period of service.

4. It has been shown that the effect of the rule has not hitherto been disadvantageous to the service, and, under these circumstances, the trustees are unable to see that it is in any way opposed to "justice or expediency."

5. With reference, however, to the accumulations of interest, I am directed by the trustees to add that they are not prepared to say that the principle referred to requires that a high rate of interest should be allowed upon contributions after the one-half value has been completed. They are of opinion that it would be equitable to credit the subscriptions in excess of the half value with no higher rate of interest than that which ordinarily obtains at the time.

I have, &c.
(signed) *G. J. Blane,*
Secretary Civil Fund.

Bombay, Civil Fund Office,
23 August 1850.

COPY FINANCIAL DESPATCH to the Government of Bombay, dated 5 March 1851, No. 10.

1. IT is represented by the trustees of the Bombay Civil Service Annuity Fund, that only two cases have occurred since the establishment of the fund in which the subscriptions of its members have exceeded half the value of the annuities, and, consequently, that little advantage or disadvantage would result either to the service or to Government by the abrogation of the rule which sanctions the excess to be refunded, whilst an alteration of the rule would, in the opinion of the trustees, involve a departure from the principle on which the fund is based.

Public Letter, dated 16th September 1850, No. 85.

Transmits Report from the Secretary of the Bombay Civil Fund, stating the grounds on which the Civil Service have declined to abrogate the rule which allows the contributions to the annuity fund in excess of half the value of the annuities to be refunded to the parties on becoming annuitants.

2. The subscribers, acting apparently on the views of the trustees, have accordingly decided by a large majority of votes against an alteration of the rule in question.

3. You are aware that our principal object in desiring that the Bombay Service should consider the question of refunding the subscriptions in excess of half the value of the annuity was to effect an uniformity of practice in this respect at the several Presidencies, the members of the Bengal Fund having considered it advantageous to the service at large to pass a rule precluding such refund. As the members of the Bombay Service appear to have formed a different opinion on this point, we shall not interfere in the decision which they have come to on the subject.

4. We must, however, interdict the allowance of a higher rate than 4 per cent. annual interest on the subscriptions of members of the fund which may exceed half the value of their annuities; and should there be any in that position now, we desire that their accounts with the fund be adjusted accordingly.

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COPY FINANCIAL DESPATCH to the Government of India, dated 23 June 1852, No. 28.

1. WE have received your letter in this Department, dated the 18th March 1852, reporting the result of the suit instituted in the Supreme Court against the Managers of the Civil Service Annuity Fund by Mr. W. Blunt. We observe that the Judges have unanimously decided in favour of the fund in respect to the question of refund of excess subscriptions above the half value of the annuity; but against the fund, and in favour of Mr. Blunt as respects his claim to receive back, with interest, the extra sum which he paid in accordance with Clause 40 of the rules, to insure the advantage of his annuity being made payable quarterly and to the date of his decease.

2. We do not acquiesce in the propriety of the decision upon the second point, and we should have been prepared to advise the managers of the fund to appeal, therefrom to Her Majesty in Council. As, however, without taking this step, the managers have paid Mr. Blunt the amount of the verdict, with costs, and have notified to the other annuitants similarly circumstanced, that the premiums which they paid for the quarterly and to date of decease issue of their annuities, beyond the sums covered by excess subscription balance, will be refunded with interest, we have no alternative but to allow the repayments to be made in these cases.

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COPY FINANCIAL DESPATCH to the Government of India, dated 18 August 1852, No. 41.

1. OUR Public Despatch, dated the 8th December 1824, upon the subject of the establishment of an annuity fund for the Bengal Civil Service, contained the following intimation:—"When the fund shall have arrived at the 25th year of its operation, the table of the valuation of annuities shall be corrected according to the experience of the intervening period, and the Company's contribution be then finally limited to the sum which, when added to the contributions of subscribers and to the income derived from the accumulated balance, will make a total income equal to the grant of nine annuities annually, according to the valuation which shall then be fixed." The period of 25 years so determined by us having expired, the managers have submitted for our information the accounts of the fund made up to the 30th April 1850, and statements elucidatory of the operation of the existing rules.

2. The entire receipts of the fund during the period in question, after making an adjustment to be presently noticed, amounted to the sum of 2,68,61,135 rupees, and the charges to 2,08,08,183 rupees, leaving a balance of 60,52,952 rupees. The above statement is taken mainly from the Table No. XIII. appended to the Report of the Special Committee of Investigation. There is one error in that table which it is needful to point out, as it pervades the whole of the calculations. At the triennial adjustment in the year 1836-37, the amount at credit of the Appropriated Fund exceeded the full value of the current annuities by 57,730 rupees, which sum should accordingly have been credited to the Unappropriated Fund. But it has been erroneously placed to the debit account, and the balance of the fund on the 30th April 1850 is consequently represented at 1,15,460 rupees less than its real amount.

| | Rs. | Rs. |
|---|---|---|
| Receipts: | | |
| Contribution of East India Company, less their share of the surplus under Rule 36 of 1842 | 82,16,467 | |
| Interest granted by ditto | 62,17,161 | |
| | | 1,44,33,628 |
| Contributions of subscribers, including their share of the surplus under Rule 36 of 1842 | 91,79,762 | |
| Fines from ditto | 32,47,745 | |
| | | 1,24,27,507 |
| | Rs. | 2,68,61,135 |
| Charges: | | |
| Annuities granted | | 1,78,03,308 |
| Other charges, including refunds beyond ¼ value, and bonuses payable out of surplus to retiring members | | 11,36,261 |
| Net amount transferred to the Appropriated Fund at the triennial adjustments | | 18,68,614 |
| | | Rs. 2,08,08,183 |
| Actual balance, as shown in the above statement | | 60,52,952 |
| Deduct: | | |
| Balance, as shown in Appendix A. No. XIII. | | 59,37,492 |
| | | Rs. 1,15,460 |

3. The actual results, when contrasted with those originally estimated, present many striking points of difference. The service in the year 1825 consisted of 447 members, of whom 396 joined the fund. It was anticipated that all the civil servants on your establishment would become subscribers, and that 225 would retire upon annuities in the course of 25 years. But it appears that the retirements have only been numerically 169, although that number, granted upon the terms allowed to the retiring members, is equivalent to the grant from the fund of 198¼ annuities of 1,000 *l.*, as shown in the margin.* This difference suggests correlative discrepancies between the estimated and the apparent results. For instance, the unappropriated balance was computed to amount at the close of 25 years to 27,99,199 rupees, whereas the fund (as shown in the preceding para.) possesses an unappropriated balance of 60,52,952 rupees, and if the value of the 26¾ annuities which were not accepted were to be deducted therefrom, a balance would still be shown of 37,29,982 rupees, being 9,30,783 rupees in excess of the amount originally contemplated.

| | Rs. | Rs. |
|---|---|---|
| Unappropriated balance | | 60,52,952 |
| Deduct: | | |
| Value of 26 ¾ annuities of 1,000 *l.* at 1,07,840 rupees | 28,84,720 | |
| Less probable fines | 5,61,750 | |
| | | 23,22,970 |
| | Rs. | 37,29,982 |

4. It

* No. of Retirements on Annuity.

| No. of Retirements on Annuity. | | No. of Annuities. |
|---|---|---|
| 165 | On annuities of 1,000 *l.* | 165 |
| 2 | Ditto 500 *l.* | 1 |
| 2 | Invalid pensions | 0¾ |
| 169 | | 166¾ |
| | Of the above number, however, 63 received annuities at ¼ value, under the Rule of 1835, consequently the fund was charged with the value of 31½ additional annuities by this transaction | 31½ |
| | Total Annuities granted | 198¼ |

225 − 198¼ = 26¾ annuities not accepted.

4. It is thus evident that in consequence of subscribers having failed to take annuities in the early years of the fund, the advantages which were contemplated as likely to result from it to the members of the Bengal Civil Service, have not been fully realized, and that but for the arrangement of granting annuities at a quarter value from 1836-37 to 1841-42, the service at large would have derived very little of the benefit which was designed by us in the institution of the fund.

In the first eleven years (from 1825 to 1836) only 41½ annuities were taken, instead of 99, as had been supposed in the calculations of the fund.

5. The memorial from the service which was forwarded with your letter dated the 6th September last, No. 52, submits for our approval certain propositions in modification of the present rules, having in view the extension of the advantages of the fund. In considering the propositions in question, we shall endeavour to hold steadily in view the principle on which the Annuity Fund was originally based, and the objects for which it was designed to provide. It was sought to effect the retirement with an adequate pension of nine members of the Bengal Civil Service annually, and the consequent advancement of junior servants in the same proportion, and it was believed that these results would be attained by the fund undertaking, with the support of the State, to grant to each servant who was qualified by service and residence an annuity of 1,000 *l.* at half value. If it shall appear that this object has not been satisfactorily effected by the fund as now constituted, and if by a modification of the original principle promotion is more likely to be accelerated, without injury to the public interests, then we shall cheerfully accede to the desires of the service.

6. But before we enter upon these considerations, we think it necessary to say that it is not our intention, at the present time, to make a final alteration in the tables of valuation. We observe, indeed, that it is the opinion of the managers, founded upon the results of the triennial adjustments of the value of the appropriated branch of the fund, that the annuities are now granted at a rate about 10* per cent. below their real value, and that consequently the subscriptions should be proportionately augmented. There is evidence that the calculations are not strictly correct, and that the life of annuitants is more valuable than the tables adopted for the fund assumed it to be. But the period of 25 years which has just elapsed is, we think, too limited to allow of *certainty* of calculation being attained by reference to the past experience. We think, however, that an addition of 6 per cent. as an average rate may properly be made to the price at which the annuities have hitherto been valued, and we desire that you will suggest the adoption of such a rate to the trustees of the fund. With this exception the existing tables may continue in force for a further period of 20 years, when, with the additional experience so gained, we shall hope to be able to effect their final revision, based upon more certain data of calculation.

7. Having come to this decision, we proceed to notice the propositions which, having been carried by the requisite majority of votes, are embodied in the memorial from the subscribers. They are as follow:

1st. That the mode of granting annuities be altered, so as to allow to every subscriber, after 25 years' service and 22 years' residence, the option of making up his contributions to the half value of an annuity of 1,000 *l.*, or *Co's. Rs.* 10,666. 10. 8., payable quarterly, and to the date of his decease, or of retiring on a smaller annuity similarly payable, equal to the value of his accumulated subscription, added to an annuity of 500 *l.* from the fund.

2dly. That the Company continue to allow interest at 6 per cent. on the contributions of subscribers, and make up the income of the fund to a sum sufficient to provide 10 annuities annually, besides invalid pensions of 500 *l.* and 250 *l.*

3dly. That the new rules may have retrospective effect from the 1st May 1851, as regards annuities becoming due on or after that date.

4thly.

* In the Bombay Fund the result has been very different, the sums transferred at the several triennial adjustments having amounted to rather more than 1½ *per cent.* upon the sum originally appropriated to the annuities. At Madras the amount transferred amounts to 8¼ *per cent.*, approximating more nearly to the rate in Bengal.

4thly. That the subscriptions in excess of half value at credit of any subscriber who has retired from the service since the 1st April 1850 on an annuity of any year previous to 1850–51, be allowed as a set-off against any extra fine required of him on account of quarterly and to date of decease payments.

8. First.—*As to the mode of granting Annuities.*—There is reason to apprehend that the present system of requiring payment of a fine to make up the half value operates as a check upon retirement, and consequently upon promotion. The scale of salaries* is considerably lower than it was when the fund was established, and in proportion as salaries are reduced the fines will be augmented. The average amount of fine contemplated in the original calculations to be due from a subscriber after 25 years' service was 12,452 rupees. To this sum, however, a large addition must now be made consequent upon the altered circumstances of the case. Appendix A, No. 1, to the Report of the Special Committee appointed to investigate the affairs of the fund, contains a return of the amount at credit of each subscriber, and the probable sum to which his subscriptions will amount, with interest, at the time of his becoming entitled to the annuity. Taking the last 20 names in that return against which the computation as to the final amount of subscriptions has been made, we find that the average fine to make up the half value of an annuity of 1,000 *l.* will amount in each case of these 20 servants to 28,760 rupees,† being an average of 16,308 rupees, in excess of the original calculation. Thus it is clear that the average amount subscribed after a service of 25 years falls very far short of the half value of a 1,000 *l.* annuity taken at an average age of 45 years,‡ and it can hardly be doubted that the rule requiring that value to be paid up previously to the members receiving the full benefit of the fund, has had the effect of retaining some men in the service who could not conveniently pay the required fine, but who would otherwise have been willing to retire. We must admit that the foregoing statement of the facts contains a forcible argument in favour of the proposition of the service.

| * Number of Subscribers. | Total amount of their Salaries. |
|---|---|
| | *Rs.* |
| 1825–26 - 371 | 83,00,102 |
| 1848–49 - 498 | 79,92,075 |

9. We are therefore prepared to accede to the proposition that every retiring subscriber shall, irrespectively of his own contributions, be entitled to the unconditional grant of 500 *l.* per annum from the fund after a service of 25 years, including an actual residence in India of 22 years, as at present. Besides this grant from the fund, each qualified subscriber will be entitled to receive such addition to his annuity as the amount of his aggregate contributions, or of any fine that he may pay at the period of retirement, will purchase under the tables of the fund; provided, however, that this additional amount shall not exceed 500 *l.*

10. The proposition that the 500 *l.* annuities granted from the fund should be made payable quarterly, and to the date of decease, is also acquiesced in by us.

11. Secondly.—*Number of Annuities and Contributions from the Company.*—Since the year 1824, the service has increased numerically from 447 to 500 members, its present complement. This is the main reason for soliciting the annual grant of *10* instead of *9* annuities. Under the new arrangement for the grant

| | *Rs.* |
|---|---|
| † Half value of an annuity of 1,000 *l.* at the age of 45 - - - - - | 53,920 |
| | 20 |
| | 10,78,400 |
| *Deduct.* | |
| Probable gross amount of subscriptions of 20 members of the fund - - - | 5,03,194 |
| | 20)5,75,206 |
| Average fine payable by each - - - - - - - - - - - | 28,760 |
| *Deduct.* | |
| Average computed fine - - - - - - - - - - - - | 12,452 |
| Average in excess of original calculation - - - | *Rs.* 16,308 |

‡ The annuities have hitherto been taken at an average age of 48 years.

grant of annuities of 500 *l.*, it is assumed, that the advantages of the fund will be freely accepted, and allowing that 50 per cent. of the members of the Civil Service retire on annuities in the ensuing 25 years, the exact number of 10 per annum, or 250, will be absorbed. But according to the past experience of the fund, nearly 58 per cent. of the subscribers have either died or resigned, forfeiting their subscriptions, or have continued in the service beyond the contemplated period. If this be a fair test for the future, less than the present number of nine annuities each year would suffice. Believing, however, that the effect of the altered system of granting annuities will be to stimulate retirements, we shall comply with the request for the grant of *10* annuities annually, subject to financial conditions hereinafter specified, in connexion with the question of the amount of the Company's contribution to the fund.

12. With reference to pensions to invalids, we are also disposed to meet the wishes of the subscribers, that they shall continue to be granted in addition to the regular annuities under the existing rules and restrictions as respects the period of service, though in accordance with the new principle as respects their amount. Of these pensions, only four * of 500 *l.*, and three of 250 *l.*, have been hitherto taken. This number is so small as to be scarcely appreciated in the calculations, since if it be thrown over the entire period of 15 years, for which such pensions have been granted, the result is that less than one-fifth of a 1,000 *l.* annuity has been annually debited to the fund on account of invalids.

* Under Rule of 1835:
One of 500 *l.*
One of 250 *l.*
Under Rule of 1842, (Out of surplus.)
Three of 500 *l.*
Two of 250 *l.*

13. Thirdly.—*Period at which the New Rules shall have effect.*—The date fixed upon by the votes of the subscribers (the 1st May 1851) represents the close of the first year of the second term of 25 years. We accede to this proposition.

14. Fourthly.—*Subscriptions in excess of Half Value.*—As respects refunds, the rules are unaltered. It was submitted to the service to pass a rule positively prohibiting "the refund of any part of contributions under any circumstances whatever," but this rule failed to be carried by the requisite number of three-fourths of the subscribers, although there was a large absolute † majority in favour of the prohibitory clause. There is, therefore (as heretofore) no rule upon the subject, and refunds cannot be permitted. As to the proposition made in the last clause of the memorial before us, "that the subscriptions in excess of half value at credit of any subscriber who has retired from the service since the 1st April 1850, on an annuity of any year previous to 1850–51, be allowed as a set-off against any extra fine required of him on account of quarterly and to date of decease payments," we would refer you to our Despatch of the 23d June 1852, No. 28, on this subject, in connexion with the decision of the Supreme Court in Mr. Blunt's case.

† For - - 218
Against - 119
Majority of votes 99

15. We now pass to the consideration of the practical question of the means by which effect may be given to these arrangements. With every desire to extend the advantages of the fund, so that they may be attainable in turn by all the members of the service, we feel it necessary to be careful that the State is not unduly charged on account of the proposed modification.

*Prospective Financial View.—Charge.*

16. The charge upon the fund, under the new rules, may be assumed as follows:—

| | *Rs.* |
|---|---|
| Ten annuities of 500 *l.* each, payable quarterly,‡ and to date of decease, taken at the age of 45 (with an addition of 6 per cent. to the present valuation), each 59,490½ rupees - - - | 5,94,905 |
| Invalid pensions, estimated by past experience, one-fifth of a 1,000 *l.* annuity, equivalent to an annuity of 200 *l.* per annum (23,796 rupees), of which half is debitable to the fund, or - - - | 11,898 |
| Charges of establishment, say - - - - - - - - | 11,000 |
| | *Rs.* 6,17,803 |

Of

‡ If these annuities were payable annually, their value would be represented by - *Rs.* 5,71,552
The *extra* charge for their payment quarterly, and to date of decease, is therefore 23,353
*Rs.* 5,94,905

Of the above amount the *extra* charge beyond that which was contemplated on the establishment of the fund, is 92,406 rupees, as shown in the marginal reference.

| | *Rs.* |
|---|---|
| Amount of extra charge for payment of 10 annuities of 500 *l.* quarterly, and to date of decease, as shown in the previous note | 23,353 |
| Value of one additional annuity of 500 *l.* payable annually | 57,155 |
| Invalid pensions formerly payable out of surplus | 11,898 |
| *Rs.* | 92,406 |

17. We cannot consent to guarantee this large additional expense except upon the following condition: It has been shown in the early part of this Despatch, that the fund possesses an unappropriated balance of 60,52,952 rupees,* which is partly composed of the computed value of 26¾ annuities of 1,000 *l.* remaining unaccepted during the last 25 years. We think that these outstanding annuities may advantageously be absorbed, and that out of their computed value, a sum may be set apart as a capital, upon which we will allow an interest of 6 per cent. per annum, for the purpose of securing the additional objects solicited by the service. The requisite income, 92,406 rupees, will be yielded from a capital of 15,40,100 rupees, which latter sum more than represents the half value of the whole number of 26¾† annuities; we therefore first proposed that the above amount be appropriated as a capital for the support of the fund under the revised constitution, and that the outstanding annuities be considered to be absorbed.

† Their exact half value, computed at the age of 45 years, is 14,42,360 rupees.

18. But after deducting the above sum of 15,40,100 rupees, there is still a balance of 45,12,852 rupees‡ remaining at the credit of the unappropriated fund. Of this amount 34,26,595 rupees is (as shown in the margin)§ ultimately repayable to the subscribers, and will remain at their credit until the period of their retirement with annuities. After allowing for this deduction a a final balance of 10,86,257 rupees‖ is exhibited, and we consider that this sum may also with propriety be capitalized. Thus, adding the capital of 15,40,100 rupees to the final unappropriated balance, the total capital for the purposes of the fund will amount to 26,26,357 rupees, or, say, 26,00,000 rupees, upon which, if our suggestion be acted upon, we shall allow an interest of 6 per cent.

| | *Rs.* |
|---|---|
| ‡ Balance of unappropriated fund | 60,52,952 |
| Deduct | 15,40,100 |
| There remains | *Rs.* 45,12,852 |

| | |
|---|---|
| §The aggregate amount at the credit of the subscribers is | 72,68,246 |
| Of which will lapse to the fund— | |
| Excess subscriptions beyond half value *Rs.* 4,15,057 | |
| 50 per cent. of the difference 34,26,594 | |
| | 38,41,651 |
| Amount repayable to subscribers | *Rs.* 34,26,595 |

This amount will not, however be taken all at once. It will be thrown over a period of 25 years.

| | |
|---|---|
| ‖ Balance at credit of unappropriated fund | 45,12,852 |
| Deduct amount repayable to subscribers | 34,26,595 |
| Final balance | *Rs.* 10,86,257 |

19. *Probable income:—*

| | *Rs.* |
|---|---|
| 26,00,000 rupees with an interest of 6 per cent., will yield an income of | 1,56,000 |
| Four per cent. on salaries and official emoluments yields within a fraction of 3,20,000 rupees of which amount *one-half* will lapse to the fund, or | ¶1,60,000 |
| Interest on the above sum of 1,60,000 rupees within the year at 6 per cent. (computed monthly) | 4,400 |
| Thus the estimated annual deficiency to be paid by the company will amount to | 2,97,403 |
| Total income required to meet the estimated charge | *Rs.* 6,17,803 |

20. Our

* A considerable portion (more than 56 per cent.) of this balance is composed of accumulations of interest granted by the Company in excess of the amount originally estimated, a result attributable to the failure on the part of subcribers to take annuities in the early years of the fund.

| | *Rs.* |
|---|---|
| The actual amount of interest paid by the East India Company | 62,17,161 |
| *Deduct.* | |
| The amount estimated to be so payable (*vide* Despatch, dated 8th December 1824) | 28,11,364 |
| Excess beyond the amount agreed to be contributed in that form | *Rs.* 34,05,797 |

¶ This sum will also be represented in the separate accounts of the subscribers, but practically the fund will be credited with it, since annuities are provided on the computation that *one-half only* of the subscribers will receive them.

20. Our contribution, exclusive of interest, will in this view amount in the ensuing 25 years to 74,35,075 rupees, instead of 82,16,467 rupees paid from our treasury in the period which has just expired, showing a prospective difference in our favour of 7,81,392 rupees,* and you will regard the above amount as fixed at the minimum required to realise the objects specified in this despatch, after computing every other source of income.

* Actual contribution from the Company from 1825 to 1850 - - - - - - - Rs. 82,16,467
Estimated ditto, from 1850 to 1875 - - - 74,35,075
Less - - - Rs. 7,81,392

21. We have omitted to mention specifically that it is our intention to continue as heretofore, to allow an interest of 6 per cent. per annum upon the contributions of the individual subscribers in accumulation.

22. You will, therefore, observe that we comply with the several requests which we have enumerated preferred in the memorial from the Bengal Civil Service, upon the understanding, first, that no refunds are permitted, and, secondly, that the surplus balance of the fund (to the extent of 26,00,000 rupees) will be applied in the manner we have specified, and the guarantee of your Government may then be reckoned upon to ensure the carrying out of the objects of the Annuity Fund upon the terms notified in this Despatch.

23. We desire that at the conclusion of every fifth year from the commencement of the fund you prepare and transmit to us a full statement of the condition, the progress and operations of the fund during the period then completed.

24. Since the foregoing paras. were written, we have received a further memorial from the managers of the fund on behalf of the service, submitting the following requests, viz. :—

First. That an option be allowed to subscribers to contribute 5 per cent. on their official emoluments.

Second. That the interest of the unappropriated capital in excess of 27,99,199 rupees† be applied annually as a bonus to the improvement of the purchase value of annuities in favour of retiring annuitants whose subscription balance is not equal to the half value of their annuity.

Third. That to Article 26‡ of the proposed new code, be added the proviso "that the determination of a general meeting on such cases and questions be referred to the subscribers at large for adoption or rejection, before being submitted for the sanction and approval of the Court of Directors."

25. With reference to the first proposal, which would have the effect of increasing the charge to the State of interest, it appears to us that the same necessity does not exist under the revised constitution of the fund, as sanctioned in this Despatch, for subscribers to augment their annual contribution, it being intended that an annuity of 500 *l.* shall henceforth be granted from the fund to each qualified subscriber, *irrespective* of the amount of his individual contribution at the time of his retirement. We must, therefore, decline to grant an interest of 6 per cent. upon any subscription in excess of the amount heretofore contributed from the salaries of our civil servants.

26. All the calculations upon which we have proceeded in this letter being based upon the supposition that the *whole* of the unappropriated funds, after allowing for contingencies, will be absorbed for the purposes herein set forth, we cannot accede to the second proposal of the service. The third appears to be unobjectionable.

27. We annex a copy of the new regulations of the fund, as adopted by the votes of the service. We confirm them in substance, with one exception. The rule forming No. 26 of the Old and No. 25 of the New Code, has been modified so

† It was computed in the original calculations (*vide* Despatch of 8th December 1824), that the unappropriated balance would amount, at the close of 25 years, to 27,99,199 rupees.

‡ Article 26. "Upon all general questions involving any increase or diminution of the rate of the contributions, or any essential addition to, or alteration in, the original rules and principles of the institution, no decision of the subscribers shall be valid, or have any effect, until sanctioned and approved by the Court of Directors, to whom all parties considering themselves agrieved by such decision shall have a right of appeal, and the decision of the Court of Directors shall in all cases be final."

so as to allow of questions being henceforth determined at general meetings of subscribers "by a *majority* of subscribers who may be present at such general meetings, or who may vote thereat by proxy," in place of requiring that a majority of *three-fourths* shall be necessary to give effect to the resolutions submitted for approval. This latter provision was introduced by our desire, into the original rules, and we still consider it desirable to secure the concurrence of a large body of the subscribers in matters connected with an institution in which all are personally interested. A majority of three-fourths may, however, be too high a requirement, and we are willing to reduce it to *two-thirds*; Clause 25 of the rules has been altered accordingly.

## Draft of New Rules.

1. The subscribers to the Bengal Civil Service Annuity Fund are the covenanted civil servants upon the Bengal establishment. They shall continue, as long as they remain in the service, to contribute for the purposes of the fund, four per cent. of their salaries and all other public emoluments whatever (travelling allowance alone excepted).

2. The annuities are fixed at 10,000 sicca rupees payable in India, or 1,000*l.* sterling payable in England. In discharge of each annuity payable in England, the sum of 1,000 *l.* sterling shall be paid to the annuitant through the Company's treasury in London, the managers of the fund undertaking to pay over to the Government of Bengal 10,000 sicca rupees for every year's annuity so paid.

Practically, the fund under the revised rules will grant fixed annuities of 500*l.*, leaving to subscribers the option of purchasing annuities of equivalent or of less amount, according to the sum of their subscriptions at the time of retirement, but there is no objection to leave Rule 2 in this form. It is qualified by Rule 9.

3. Those subscribers only shall be qualified for annuities of the amount aforesaid, who have served in the civil service 25 years, and actually resided 22 years in India.

4. The annuities of each year shall commence with the 1st of May, and shall be payable quarterly at the close of each quarter and to the date of the annuitant's decease.

5. The number of annuities assignable on account of each year from the 1st of May 1851, shall be 10, and they shall be available, subject to the provisions of the following rule, to all qualified subscribers according to their seniority in the gradation list of the service as fixed by the Court of Directors. But if any subscriber having become qualified for an annuity, shall retire from the service before the option of an annuity may devolve upon him, he shall nevertheless be entitled to the same in his turn, as though his name had remained upon the gradation list of the service.

6. On the 1st of November of every year, the 10 annuities that are to become available on the following 1st of May, shall be assigned to those qualified subscribers, in order of seniority, from whom applications for annuities shall have been received before the said 1st November. After the 1st of November, any of the said 10 annuities which shall not have been assigned under the preceding clause, shall be assignable to all qualified subscribers in order of application.

7. As soon as possible after the 1st of May of every year, the managers shall notify in the "Calcutta Gazette" the number of annuities of that year which remain unassigned, and also the number of annuities (if any) which remain not taken from previous years, and these annuities shall be assignable at any subsequent period to all qualified subscribers, in order of application. But for the year in which any such annuity may be assigned, a rateable portion only of the annuity shall be payable, calculated from the date on which it is taken.

8. Every subscriber to whom an annuity shall be assigned, shall be required in order to entitle him to the full annuity fixed by Article II., to pay, on or before the date from which the annuity is to commence, the difference between one-half of the value of the annuity and the accumulated amount of his contributions, whenever the latter shall be less than the former.

The value of an annuity on the life of any subscriber shall be determined by such table of valuation as may be sanctioned by the Honourable Court of Directors; and to determine the accumulated amount of a subscriber's contributions, a separate account shall be kept for each subscriber, and the account shall be made up annually, with interest at the rate of 6 per cent. calculated on the subscriber's contributions as allowed by the Court of Directors.

9. Any subscriber who shall decline to pay the difference defined in the foregoing article, shall be entitled to an annuity of a reduced amount, to be calculated in the following manner, viz.: he shall receive an annuity of 5,000 sicca rupees, or 500*l.* sterling, increased by such additional amount as his contributions may suffice to purchase, according to the table of valuation in force.

10. The

10. The acceptance of the resignation of the Honourable Company's service is an essential condition to entitle a subscriber to an annuity, and annuitants will not be permitted by the Court of Directors to return to the service: any subscriber, therefore, to whom an annuity shall have been assigned under Articles VI. or VII., who shall fail to tender his resignation of the Honourable Company's service, on or before the 1st of May following, shall not only forfeit his right to the annuity so assigned, but shall also forfeit a sum of 10,000 rupees, to be paid by the subscriber within one week from the said 1st of May; or in the event of non-payment by the subscriber, to be deducted from his allowances by the civil auditor, in such instalments, not exceeding one-half, nor being less than one-third of his total official receipts, as the managers may direct; and in the latter case, interest shall be charged at the rate which the fund would have received had the amount of the fine been paid by the subscriber within the prescribed term of one week from the 1st of May.

No subscriber who shall incur the above penalty shall be deemed entitled to an annuity until the amount of such penalty, together with all interest which may become due thereon, shall have been fully paid.

11. Any subscriber not having served 25 years and actually resided 22 years, who may be compelled to retire from the Honourable Company's service by sickness, duly certified as below provided, shall be entitled to receive either a donation or an invalid pension of reduced amount, as follows:—

If he shall not have completed 10 years' residence, a donation of 5,000 sicca rupees or 500*l.* sterling.

If he shall have completed 10 years' residence but less than 15 years, a pension of 2,500 sicca rupees or 250*l.* sterling.

If he shall have completed 15 years' residence, a pension of 5,000 sicca rupees or 500 *l.* sterling.

12. The grant of invalid pensions shall be made in all respects upon the same principle as are prescribed in Articles VIII. and IX. of the rules; that is to say, in order to entitle a subscriber to an invalid pension of 500*l.* a year, or 250*l.* a year, as the case may be, it will be necessary for him to make good one-half of the value of such pension, but it will be optional with him, in the event of his subscriptions not being equal to the half value, to take a reduced pension of 250*l.* or 125*l.* a year, increased by such additional amount as his contributions may suffice to purchase according to the table of valuation in force.

13. It will be necessary for every subscriber applying for an invalid pension, to furnish to the managers of the fund, a certificate from his usual medical attendant, countersigned either by the Medical Board in Calcutta, or by a special committee of medical officers, to consist of not fewer than three members, convened by the Honourable the Lieutenant Governor of the North Western Provinces, certifying that he is, from some permanent cause or complaint, incapable of rendering service in the climate of India, and it will further be necessary that such certificate be confirmed by the examining physician of the Honourable Court of Directors, after the subscriber shall have resided one year in England.

14. The value of every annuity or pension which is granted, shall be passed to a separate account under the head of "Appropriated Funds," and to the debit of that account shall be entered all payments in satisfaction of annuities.

15. At the close of every third year, the managers shall calculate, according to the Table of Valuation then in force, the values of the existing annuities and pensions, and shall compare the total of their values with the assets of the "Appropriated Funds." If the amount of these assets shall exceed the said total, the difference shall be carried to the credit of the Unappropriated Funds, but if the amount of the assets of the Appropriated Funds shall be less than the total aforesaid, then the deficiency shall be made good by a transfer to the head of "Appropriated Funds."

The following words should be added to this clause, viz., "of any balance remaining unappropriated, and a representation with regard to the difference (if any) shall be made by the managers to the Government of India."

16. Every annuitant or invalid pensioner shall be furnished with a certificate of his admission to an annuity or pension, under the hands of not less than three of the managers of the fund, and a duplicate of the certificate shall be furnished to the Government for transmission to the Honourable Court of Directors.

17. Any subscriber who may be dismissed from the Honourable Company's service, shall forfeit all right to any benefit from the Civil Service Annuity Fund.

18. The interest in the fund of any subscriber who may be suspended from the Honourable Company's service, shall be in abeyance during his suspension, and shall revive upon his restoration. But this provision shall not be held to apply to Civil servants out of employ (from whatever cause), who shall be permitted to draw the subsistence allowance of their rank.

19. The affairs of the institution shall be conducted by nine managers, of whom four shall be *ex officio*, viz., the Secretary to the Government of India in the Financial Department, the Accountant to the Government of Bengal, the Sub-Treasurer, and Civil

Auditor. The other five shall be subscribers, and shall be elected at a general meeting of subscribers, to be held in January of each year in Calcutta.

20. The Sub-Treasurer of Government shall, with the permission of Government, be the Treasurer of the Institution, and the funds of the institution shall be deposited in the public Treasury, subject to the direction and control of the managers.

21. The managers, or the majority of those present at a meeting of five or more, or if less than five be present, any three managers who may concur in opinion, shall be competent to decide in the first instance upon all matters relative to the receipts and disbursements of the fund, as well as generally upon all subjects connected with the management of the fund, not expressly reserved for determination by a general meeting of subscribers. But the decisions of the managers in all cases shall be liable to revision by a general meeting.

22. The managers shall appoint a secretary and accountant to the fund, and shall fix such allowance for him, payable from the fund, as they may consider adequate to his services. The officer so appointed shall act under the direction of the managers, and shall attend the general meetings of the subscribers. The proceedings of the managers and generally all papers appertaining to the fund, shall be kept under the charge of the secretary and accountant of the fund, and shall, on application to him, or to the managers, be open to the inspection of any of the subscribers.

23. All appointments to the office of secretary and accountant to the fund, as well as the appointments of any other persons whom the managers may find it necessary to employ, and the allowances assigned to such officers, shall be subject to the control of a general meeting.

24. A general meeting of the subscribers shall be held in Calcutta in January of every year (or as soon afterwards as the accounts can be made up and prepared for inspection), to receive and audit the accounts of the preceding year, and to decide on all questions duly brought before it. The managers or any nine members of the institution may convene at any time a special general meeting at the Presidency, by notice in the "Calcutta Gazette," and in two newspapers, one of the two being a newspaper published in the North-Western Provinces, provided that the day fixed for holding such special meetings, and the object of it be advertised as above, at least six weeks before the same is held.

25. Upon all questions duly advertised for discussion at a general meeting, whether annual or special, all subscribers shall be allowed to deliver their sentiments and votes by proxy, and all questions shall be determined by a *majority of the subscribers*, who may be present at such general meetings, or who may vote thereat by proxy; but the concurrent voices of nine members at least actually present, shall be requisite to determine upon any question whatever. General proxies will only be allowed on behalf of members who have left India, and unless revoked will be of force during the absence of such members or until the receipt of intelligence of their death.

**The majority requisite to affirm any question must be fixed at *two-thirds*, and the rule altered by the introduction of those words in the proper place.**

Parties holding general proxies shall be entitled to vote on any question whatever that may arise. The holder of a special proxy shall be entitled to vote on any point connected with the question for which the special proxy was given, that may be discussed at the meeting summoned for its determination.

No person shall hold a general or special proxy, or be entitled to vote at any general or special meeting who is not a subscriber to the fund.

It shall be the duty of the chairman of every general meeting, after taking the votes of those present on each question, to call for the votes of proxies on the same question; the chairman shall also carefully examine the proxies to see if they are in the prescribed form, and if not, shall reject them.

The forms of general and special proxies shall be those marked A and B, appended to the rules.

26. Upon all general questions involving any increase or diminution of the rate of the contributions, or any essential addition to, or alteration in the original rules and principles of the institution, no decision of the subscribers shall be valid or have any effect until sanctioned and approved by the Court of Directors, to whom all parties considering themselves aggrieved by such decision, shall have a right of appeal, and the decision of the Court of Directors shall, in all cases, be final.

**The following addition should be made to this clause:**

**"Provided, however, that the determination of a general meeting on such cases and questions be referred to the subscribers at large for adoption or rejection, before being submitted for the sanction and approval of the Court of Directors."**

*Form (A) of General Proxy.*

I, A. B., do hereby authorise and appoint C. D. to vote for me upon all questions to be determined at the general meetings of the subscribers to the Bengal Civil Service Annuity Fund, and I hereby bind myself to abide by the vote to be given in my behalf, the same as if I myself had been present and voted at such meeting.

(signed) A. B.

*Form (B) of Special Proxy.*

I, A. B., do hereby appoint C. D. to vote for me on all points connected with the following question to be discussed at the general meeting of the subscribers to the Bengal Civil Service Annuity Fund, appointed to be held on the

(signed) *A. B.*

## Copy Financial Letter from the Government of India, dated 9 March 1853, No. 11.

With reference to your Honourable Court's Despatch in this department, No. 41 of 1852, dated the 18th August, and the statements which accompanied it, elucidatory of the operation of the existing rules of the Civil Service Annuity Fund, we have the honour to lay before your Honourable Court copy of a letter from the secretary to the managers of that fund, together with the printed copies therewith received of the proceedings of the subscribers thereto.

Printed copy of the proceedings of the subscribers to the Civil Service Annuity Fund, held at their special general meeting on the 14th February 1853. Printed copy of ditto held at an annual general meeting of the Subscribers to ditto on the 1st January 1853.

Printed copy of the Circular by the Secretary to the Civil Service Annuity Fund, dated November 1852, with enclosures.

To *Charles Allen*, Esq., Officiating Secretary to the Government of India, Financial Department.

Sir,

I am directed by the managers to forward copy of the proceedings of subscribers to the Civil Service Annuity Fund at their general meeting, held on the 14th ult., for the consideration of the propositions contained in the Despatch of the Honourable the Court of Directors, dated the 18th August 1852, forwarded with your office letter of the 4th October last.

The following resolutions were adopted at the meeting, by very large majorities.

"Resolved that the modifications in the constitution of the fund proposed in the Honourable Court's Despatch of the 18th August 1852, be accepted, and that the conditions specified in paragraph 22 of the Despatch be complied with as far as possible."

Carried by 335 votes to 37 *contra.*

"Resolved that the revised rules as modified by the Honourable Court be adopted."

Carried by 337 votes to 35 *contra.*

It is gratifying to the managers to be thus enabled to communicate the adoption by the subscribers of the propositions of the Honourable Court of Directors, and although it is impossible now to comply with so much of the proposal of the court as respects the 26 annuities untaken at the time of the revising committee's report, which the court suggest should be absorbed, seeing those annuities had been appropriated to retiring subscribers before the receipt of the Despatch; yet as the conditions specified by the court in their 22d paragraph have been accepted, viz., first, that no refunds be permitted, and secondly, that the surplus balance of the fund, to the extent of 26,00,000 rupees, be applied as a capital for the support of the fund under the revised constitution; the managers report this resolution for the information of the Government, in order that should the Government think fit the further steps may be taken which are indicated in the fifth paragraph of your letter of the 4th October as necessary to carry out at once the objects proposed by the court.

The accounts of the fund closed to the 30th April 1852, herewith submitted, exhibit an unappropriated balance exceeding the amount specified in paragraph 22 of the Despatch, which is available for the purposes therein mentioned.

| | *Rs.* |
|---|---|
| Balance, 1 May 1852 - - - - - - | 39,53,776 |
| Less the values of 12½ annuities of 1851-52 and 52-53, 4½ of which are at present untaken - - - | 12,00,000 |
| Surplus - - - | *Rs.* 27,53,776 |

As the nine annuities of 1851-52, and 4½ of the nine of 1852-53, had been appropriated to retirers under the old rules previous to the adoption of the new rules on the 14th ultimo, the managers consider it would be advisable to apply the provisions of the new rules to

the annuities henceforward to be granted, namely, to the remaining 4½ of the current year, and to the annuities accruing on and after the 1st of May next.

A copy of the circular of the managers issued on the occasion of the publication of the Despatch to the service, explanatory of their views on the subject, is herewith submitted.

I have, &c.
(signed) *G. Adams*, Secretary.

Civil Service Annuity Fund Office,
1 March 1853.

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CIVIL SERVICE ANNUITY FUND.

AT a special general meeting of subscribers to the Civil Service Annuity Fund, held at the Town-hall, on the 14th February 1853,

PRESENT:—Messrs. W. P. Palmer, J. A. Dorin, W. B. Jackson, J. I. Harvey, E. Currie, J. Dunbar, A. J. M. Mills, E. Bentall, R. H. Mytton, C. Allen, H. F. James, T. Bruce, W. J. H. Money, J. P. Grant, G. Adams, B. J. Colvin, D. I. Money, R. M. Skinner, D. Robertson, F. Louth, C. H. Lushington, C. B. Trevor, E. A. Samuells, G. P. Leycester, A. Grote, F. A. Lushington, C. Beadon, A. R. Young, W. Grey, W. S. Seton-karr, J. W. Dalrymple, W. Maples, W. G. Young, G. A. Paxton, R. C. Oldfield, J. M. Lowis, J. A. Crawford, J. J. Grey, Lord H. Ulick Browne, Messrs. W. C. Capper, W. Johnstone, T. D. Ouseley, Hon. A. Eden, W. C. Plowden, W. Waterfield, A. Jenkins, F. Macnaghten, and W. J. Money.

R. H. MYTTON, Esq., in the Chair.

With reference to the notification for the consideration of the Despatch of the Honourable Court of Directors, dated the 18th August 1852, and the revised new rules, Mr. Harvey requested permission to withdraw his proposition advertised under date the 1st January last. Withdrawn accordingly.

It was then moved by Mr. Colvin, and seconded by Mr. Mills—

Resolved, that the modifications in the constitution of the Bengal Civil Service Annuity Fund, proposed in the Honourable Court's Despatch of the 18th August 1852, be accepted, and that the conditions specified in par. 22 of the Despatch be complied with as far as possible.

Mr. Harvey moved, and Mr. Jackson seconded the following amendment:—

"That this meeting is not in a position to take into final consideration the Honourable Court's Despatch of the 18th August 1852, without a further reference to that high authority, for the following reasons:

"I. Because the proposals of the Honourable Court of Directors contained in thatDespatch were made in the belief that the fund possessed an unappropriated capital of 60,52,952 rupees, whereas, on the 30th April 1852, the unappropriated capital of the fund only amounted to 39,53,776 rupees, being 20,99,176 rupees less than supposed by the Honourable Court, and consequently the acceptance of the Honourable Court's proposal by the service cannot be binding on that high authority.

"II. Because the subscribers at large have been misled as to the purport of the Honourable Court of Directors' Despatch, by the managers' circular, dated 14th January 1853, on the question of refunds. For it is clearly shown in par. 22 that no refunds are permitted, and by the marginal calculation of par. 18 of the Honourable Court's Despatch, it is apparent that the sum, 4,15,057 rupees, excess subscriptions then standing at the credit of subscribers, as shown in Appendix No. 1 of the Committee's Report, was brought into calculation as lapsing to the fund; whereas the managers, in their circular of the 14th January 1853, expressly limit the condition required (*i.e.*, the refusal of refunds) to the future, and not to refunds of excess subscriptions above half value now paid up by many subscribers and now claimable also by many annuitants.

"III. Because original subscribers to the fund, who agreed to join the fund under guarantee that they would enjoy the advantages promised in the Honourable Court's Despatch of the 8th December 1824, cannot, against their own consent, be equitably deprived of those advantages which secure to them a right, on retiring on annuities, to a refund of any excess subscriptions paid by them over the half-value of their annuities as laid down in the tables of the fund; whereas, if the condition 'not to allow refunds' is made applicable to the case of all subscribers, as recommended by the managers, and no exception is made in favour of original subscribers to the fund, the rights of this class of subscribers must necessarily be infringed.

"IV. Because the recommendation of the managers that the sum of 10,86,257 rupees be paid for the advantages which the Honourable Court have offered to concede the purchase of to the service, beyond the money value of these advantages, without even an effort to obtain an equivalent for this sum, involves an expenditure of the money of the fund, which

which its finances will not bear, and is also unjust to those annuitants and original subscribers who now have, and hereafter may hold equitable claims against the fund, to a refund of the excess subscriptions paid by them over the half value of their annuities, by depriving the fund of the means to liquidate such claims; that the recommendation is therefore inconsistent with the rules and principles on which the fund was, and is now, established, and amounts to a breach of these rules and principles.

"That this meeting do therefore resolve that the managers be instructed to make a reference to the Honourable Court of Directors through the Supreme Government of India, communicating to that high authority the real amount of the unappropriated capital of the fund, and soliciting the further instructions of the Honourable Court, after consideration of the diminished amount of the unappropriated capital of the fund; and further soliciting that the claims of all original subscribers, who have already retired, or who may hereafter retire on annuities, to refund of their excess subscriptions above the half value of their annuities, be exempted from the operation of the condition proposed 'not to allow refunds,' and that such claims be conceded to such original subscribers on retirement on annuities."

There having been only five among the members "present" voting in favour of the amendment, it was lost under Rule 26, and the votes against it, as well as proxies for and against it, were considered unnecessary to be taken.

The votes on the original motion were then taken, viz.:—

| | Present. | Proxies. | Vote papers. | Total. |
|---|---|---|---|---|
| For the proposition, - - | 39 - | 255 - | 41 = | 335. |
| Against it, - - - - | 4 - | 29 - | 4 = | 37. |

Carried accordingly.

Proposed by Mr. W. Grey, and seconded by Mr. Dalrymple—

Resolved, that the revised rules as modified by the Honourable Court be adopted.

| | Present. | Proxies. | Vote papers. | Total. |
|---|---|---|---|---|
| For the proposition, - - | 40 - | 255 - | 42 = | 337 |
| Against it, - - - - | 3 - | 29 - | 3 = | 35 |

Carried accordingly.

A vote of thanks was passed to the chairman, and the meeting broke up.

Civil Service Annuity Fund Office,
14th February 1853.

(signed) *R. H. Mytton*,
Chairman.

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RULES of the Bengal Civil Service Annuity Fund, as adopted at the Special General Meeting of Subscribers on 14 February 1853.

1. The subscribers to the Bengal Civil Service Annuity Fund are the covenanted civil servants upon the Bengal establishment. They shall continue as long as they remain in the service, to contribute for the purposes of the fund, four per cent. of their salaries and all other public emoluments whatever (travelling allowance alone excepted).

2. The annuities are fixed at 10,000 sicca rupees payable in India, or 1,000*l.* sterling payable in England. In discharge of each annuity payable in England, the sum of 1,000*l.* sterling shall be paid to the annuitant through the company's treasury in London, the managers of the fund undertaking to pay over to the Government of Bengal 10,000 sicca rupees for every year's annuity so paid.

3. Those subscribers only shall be qualified for annuities of the amount aforesaid, who have served in the Civil Service 25 years and actually resided 22 years in India.

4. The annuities of each year shall commence with the 1st of May, and shall be payable quarterly at the close of each quarter and to the date of the annuitant's decease.

5. The number of annuities assignable on account of each year from the 1st of May 1851, shall be 10, and they shall be available, subject to the provisions of the following rule, to all qualified subscribers according to their seniority in the gradation list of the service as fixed by the Court of Directors. But if any subscriber having become qualified for an annuity, shall retire from the service before the option of an annuity may devolve upon him, he shall nevertheless be entitled to the same in his turn, as though his name had remained upon the Gradation List of the service.

6. On the 1st of November of every year, the 10 annuities that are to become available on the following 1st of May, shall be assigned to those qualified subscribers, in order of seniority, from whom applications for annuities shall have been received before the said 1st November. After the 1st of November, any of the said 10 annuities which shall not

have been assigned under the preceding clause, shall be assignable to all qualified subscribers in order of application.

7. As soon as possible after the 1st of May of every year, the managers shall notify in the "Calcutta Gazette" the number of annuities of that year which remain unassigned, and also the number of annuities (if any) which remain not taken from previous years, and these annuities shall be assignable at any subsequent period to all qualified subscribers, in order of application. But for the year in which any such annuity may be assigned, a rateable portion only of the annuity shall be payable, calculated from the date on which it is taken.

8. Every subscriber to whom an annuity shall be assigned, shall be required in order to entitle him to the full annuity fixed by Article II., to pay, on or before the date from which the annuity is to commence, the difference between one-half of the value of the annuity and the accumulated amount of his contributions, whenever the latter shall be less than the former.

The value of an annuity on the life of any subscriber shall be determined by such table of valuation as may be sanctioned by the Honourable the Court of Directors, and to determine the accumulated amount of a subscriber's contributions, a separate account shall be kept for each subscriber, and the account shall be made up annually, with interest at the rate of six per cent. calculated on the subscriber's contributions as allowed by the Court of Directors.

9. Any subscriber who shall decline to pay the difference defined in the foregoing article, shall be entitled to an annuity of a reduced amount, to be calculated in the following manner, viz., he shall receive an annuity of 5,000 sicca rupees or of 500 *l.* sterling, increased by such additional amount as his contributions may suffice to purchase, according to the table of valuation in force.

10. The acceptance of the resignation of the Honourable Company's Service is an essential condition to entitle a subscriber to an annuity, and annuitants will not be permitted by the Court of Directors to return to the service; any subscriber therefore, to whom an annuity shall have been assigned under Article VI. or VII., who shall fail to tender his resignation of the Honourable Company's Service, on or before the 1st of May following, shall not only forfeit his right to the annuity so assigned, but shall also forfeit a sum of 10,000 rupees, to be paid by the subscriber within one week from the said 1st of May; or in the event of non-payment by the subscriber, to be deducted from his allowances by the civil auditor, in such instalments, not exceeding one-half, or being less than one-third of his total official receipts, as the managers may direct, and in the latter case, interest shall be charged at the rate which the fund would have received had the amount of the fine been paid by the subscriber within the prescribed term of one week from the 1st of May.

No subscriber who shall incur the above penalty shall be deemed entitled to an annuity until the amount of such penalty, together with all interest which may become due thereon, shall have been fully paid.

11. Any subscriber not having served 25 years and actually resided 22 years, who may be compelled to retire from the Honourable Company's Service by sickness, duly certified as below provided, shall be entitled to receive either a donation or an invalid pension of reduced amount, as follows:—

If he shall not have completed 10 years' residence, a donation of 5,000 sicca rupees or 500 *l.* sterling.

If he shall have completed 10 years' residence but less than 15 years, a pension of 2,500 sicca rupees or 250 *l.* sterling.

If he shall have completed 15 years' residence, a pension of 5,000 sicca rupees or 500 *l.* sterling.

12. The grant of invalid pensions shall be made in all respects upon the same principles as are prescribed in Articles VIII. and IX. of the Rules; that is to say, in order to entitle a subscriber to an invalid pension of 500 *l.* a-year, or 250 *l.* a-year, as the case may be, it will be necessary for him to make good one-half of the value of such pension, but it will be optional with him, in the event of his subscriptions not being equal to the half value, to take a reduced pension of 250 *l.* or 125 *l.* a-year, increased by such additional amount as his contributions may suffice to purchase according to the table of valuation in force.

13. It will be necessary for every subscriber applying for an invalid pension, to furnish to the managers of the fund, a certificate from his usual medical attendant, countersigned either by the medical board in Calcutta, or by a special committee of medical officers, to contist of not fewer than three members, convened by the Honourable the Lieutenant Governor of the North Western Provinces, certifying that he is, from some permanent cause or complaint, incapable of rendering service in the climate of India, and it will further be necessary that such certificate be confirmed by the examining physician of the Honourable Court of Directors, after the subscriber shall have resided one year in England.

14. The value of every annuity or pension which is granted, shall be passed to a separate account under the head of "Appropriated Funds," and to the debit of that account shall be entered all payments in satisfaction of annuities.

15. At the close of every third year, the managers shall calculate, according to the table of valuation then in force, the values of the existing annuities and pensions, and shall compare

compare the total of their values with the assets of the "appropriated funds." If the amount of these assets shall exceed the said total, the difference shall be carried to the credit of the unappropriated funds, but if the amount of the assets of the appropriated funds shall be less than the total aforesaid, then the deficiency shall be made good by a transfer to the head of "appropriated funds" of any balance remaining unappropriated, and a representation with regard to the difference (if any) shall be made by the managers to the Government of India.

16. Every annuitant or invalid pensioner, shall be furnished with a certificate of his admission to an annuity or pension, under the hands of not less than three of the managers of the fund, and a duplicate of the certificate shall be furnished to the Government for transmission to the Honourable Court of Directors.

17. Any subscriber who may be dismissed from the Honourable Company's Service, shall forfeit all right to any benefit from the Civil Service Annuity Fund.

18. The interest in the fund of any subscriber who may be suspended from the Honourable Company's Service, shall be in abeyance during his suspension, and shall revive upon his restoration. But this provision shall not be held to apply to civil servants out of employ (from whatever cause) who shall be permitted to draw the subsistence allowance of their rank.

19. The affairs of the institution shall be conducted by nine managers, of whom four shall be *ex-officio*, viz., the Secretary to the Government of India in the Financial Department, the accountant to the Government of Bengal, the sub-treasurer and the civil auditor. The other five shall be subscribers and shall be elected at a general meeting of subscribers, to be held in January of each year in Calcutta.

20. The sub-treasurer of Government, shall, with the permission of Government, be the treasurer of the institution, and the funds of the institution shall be deposited in the public treasury, subject to the direction and control of the managers.

21. The managers, or the majority of those present at a meeting of five or more, or if less than five be present, any three managers who may concur in opinion, shall be competent to decide in the first instance upon all matters relative to the receipts and disbursements of the fund, as well as generally upon all subjects connected with the management of the fund, not expressly reserved for determination by a general meeting of subscribers. But the decisions of the managers in all cases shall be liable to revision by a general meeting.

22. The managers shall appoint a secretary and accountant to the fund, and shall fix such allowance for him, payable from the fund, as they may consider adequate to his services. The officer so appointed shall act under the direction of the managers, and shall attend the general meetings of the subscribers. The proceedings of the managers, and generally all papers appertaining to the fund, shall be kept under the charge of the secretary and accountant to the fund, and shall on application to him, or to the managers, be open to the inspection of any of the subscribers.

23. All appointments to the office of secretary and accountant to the fund, as well as the appointments of any other persons whom the managers may find it necessary to employ, and the allowances assigned to such officers, shall be subject to the control of a general meeting.

24. A general meeting of the subscribers shall be held in Calcutta in January of every year (or as soon afterwards as the account can be made up and prepared for inspection), to receive and audit the accounts of the preceding year, and to decide on all questions duly brought before it. The managers or any nine members of the institution may convene at any time a special General Meeting at the Presidency, by notice in the "Calcutta Gazette," and in two newspapers, one of the two being a newspaper published in the North Western Provinces, provided that the day fixed for holding such special meetings, and the object of it be advertised as above, at least six weeks before the same is held.

25. Upon all questions duly advertised for discussion at a general meeting, whether annual or special, all subscribers shall be allowed to deliver their sentiments and votes by proxy, and all questions shall be determined by a *majority of two-thirds of the subscribers*, who may be present at such general meetings, or who may vote thereat by proxy. But the concurrent voices of nine members at least actually present, shall be requisite to determine upon any question whatever. General proxies will only be allowed on behalf of members who have left India, and unless revoked will be of force during the absence of such members, or until the receipt of intelligence of their death.

Parties holding general proxies, shall be entitled to vote on any question whatever that may arise. The holder of a special proxy shall be entitled to vote on any final point connected with the question for which the special proxy was given, that may be discussed at the meeting summoned for its determination.

No person shall hold a general or special proxy, or be entitled to vote at any general or special meeting, who is not a subscriber to the fund.

It shall be the duty of the chairman of every general meeting, after taking the votes of those present on each question, to call for the votes of proxies on the same question, the chairman shall also carefully examine the proxies, to see if they are in the prescribed form, and if not, shall reject them.

The forms of general and special proxies shall be those marked (A) and (B) appended to the rules.

 26. Upon

26. Upon all general questions involving any increase or diminution of the rate of the contributions, or any essential addition to, or alteration in, the original rules and principles of the institution, no decision of the subscribers shall be valid or have any effect until sanctioned and approved by the Court of Directors, to whom all parties considering themselves aggrieved by such decision, shall have a right of appeal, and the decision of the Court of Directors shall in all cases be final. Provided, however, that the determination of a general meeting on such cases and questions be referred to the subscribers at large for adoption or rejection, before being submitted for the sanction and approval of the Court of Directors.

*Form (A) of General Proxy.*

I, A. B., do hereby authorise and appoint C. D. to vote for me upon all questions to be determined at the general meetings of the subscribers to the Bengal Civil Service Annuity Fund, and I hereby bind myself to abide by the vote to be given in my behalf, the same as if I myself had been present and voted at such meeting.

(signed) *A. B.*

*Form (B) of Special Proxy.*

I, A. B., do hereby appoint C. D. to vote for me on all points connected with the following question to be discussed at the general meeting of the subscribers to the Bengal Civil Service Annuity Fund, appointed to be held on the

(signed) *A. B.*

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TABLE of Valuation of Annuities payable quarterly and to date of decease, with the addition of 6 per cent. as proposed in the Honourable Court's Despatch of 18 August 1852.

| Age. | Value of Annuity of *Sa. Rs.* 10,000, or *Co.'s Rs.* 10,666-10-8. | Age. | Value of Annuity of *Sa. Rs.* 10,000, or *Co.'s Rs.* 10,666-10-8. | Age. | Value of Annuity of *Sa. Rs.* 10,000, or *Co.'s Rs.* 10,666-10-8. | Age. | Value of Annuity of *Sa. Rs.* 10,000, or *Co.'s Rs.* 10,000-10-8. |
|---|---|---|---|---|---|---|---|
| 30 | 1,36,651 | 42 | 1,23,063 | 54 | 1,04,558 | 66 | 79,806 |
| 31 | 1,35,707 | 43 | 1,21,750 | 55 | 1,02,793 | 67 | 77,332 |
| 32 | 1,34,740 | 44 | 1,20,385 | 56 | 1,00,984 | 68 | 74,791 |
| 33 | 1,33,740 | 45 | 1,18,981 | 57 | 99,118 | 69 | 72,203 |
| 34 | 1,32,705 | 46 | 1,17,519 | 58 | 97,207 | 70 | 69,587 |
| 35 | 1,31,638 | 47 | 1,16,012 | 59 | 95,251 | 71 | 66,923 |
| 36 | 1,30,525 | 48 | 1,14,451 | 60 | 93,239 | 72 | 64,247 |
| 37 | 1,29,379 | 49 | 1,12,831 | 61 | 91,184 | 73 | 61,583 |
| 38 | 1,28,187 | 50 | 1,11,191 | 62 | 89,073 | 74 | 58,942 |
| 39 | 1,26,950 | 51 | 1,09,571 | 63 | 86,865 | 75 | 56,390 |
| 40 | 1,25,669 | 52 | 1,07,953 | 64 | 84,606 | 76 | 53,925 |
| 41 | 1,24,365 | 53 | 1,06,278 | 65 | 82,232 | | |

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CIVIL SERVICE ANNUITY FUND.

AT an Annual General Meeting of Subscribers to the Civil Service Annuity Fund, held at the Town-hall on the 1st January 1853.

PRESENT:—Messrs. W. P. Palmer, J. I. Harvey, A. J. M. Mills, Honourable R. Forbes, R. H. Mytton, W. I. H. Money, G. Adams, B. J. Colvin, A. S. Annand, G. D. Wilkins, E. F. Radcliffe, C. T. LeBas, C. Beadon, A. R. Young, S. Wauchope, J. W. Dalrymple, W. Maples, C. Limond, W. Blunt, junior, J. A. Crawford, C. J. Jenkins, and W. C. Capper.

R. H. MYTTON, Esq., in the Chair.

Proposed by Mr. Harvey, and seconded by Mr. Maples, that the accounts for the year ending 30th April 1852 be passed.

Carried unanimously.

| UNAPPROPRIATED FUNDS, 1851–52. | *Co.'s Rupees.* | *Interest.* |
|---|---|---|
| Balance on 30th April 1851 | 60,49,492 6 10 | 3,62,969 8 9 |
| Fines, &c. from W. Blunt, R. H. Rattray, H. Armstrong, H. Brownlow, R. W. Hughes, T. Taylor, H. W. Deane, H. Pidcock, H. V. Hathorn, D. Pringle, J. S. Clarke, A. Lang, C. F. Thompson, J. P. Gubbins, C. R. Tulloh, S. G. Smith, H. Lushington, senior, T. P. Woodcock, W. H. Woodcock, W. S. Alexander, and R. Torrens | 3,53,347 6 11 | 4,435 1 6 |
| Premium from H. Batson for annuity being made payable quarterly, &c. | 4,648 8 6 | 1,135 3 11 |
| Subscriptions received during the year | 3,28,665 3 9 | 10,584 7 9 |
| Donation of the Honourable East India Company for the year | 3,28,665 3 9 | — — — |
| | 70,64,818 13 9 | 3,79,124 5 11 |
| | | 70,64,818 13 9 |
| Deduct: | | |
| Values of annuities granted to T. P. Marten, W. Blunt, H. Armstrong, R. H. Rattray, H. Brownlow, F. H. Robinson, T. Taylor, H. Pidcock, H. V. Hathorn, H. W. Deane, D. Pringle, J. S. Clarke, A. Lang, C. F. Thompson, H. S. Boulderson, A. C. Barwell, G. F. Franco, C. R. Tulloh, H. Lushington, senior, J. P. Gubbins, A. Ogilvie, T. P. Woodcock, W. S. Alexander, W. H. Woodcock, S. G. Smith, an invalid annuity of 500*l.* to R. W. Hughes, and a donation of 500*l.* to W. M. Floyd, an invalid under Rule 37 | 26,96,414 5 1 | 74,43,943 3 8 |
| Interest thereon from their several dates of transfer | 40,910 6 — | |
| Additional values of the annuities of H. Batson, Sir T. H. Maddock, and T. J. Turner | 12,450 7 — | |
| Plaintiff's cost in the suit of Blunt *v.* the Managers | 3,168 1 6 | |
| Refund to three annuitants of premiums for quarterly, &c. issues of Annuity, with interest, under judgment of the Supreme Court | 16,212 11 8 | |
| Refund to 11 annuitants of overpayment of fine | 42,466 4 4 | |
| Interest on the above charges | 1,676 6 11 | |
| Establishment and printing charges, &c. | 11,012 2 3 | 28,24,310 12 9 |
| Balance | | 46,19,632 6 11 |
| Less: | | |
| Transfer to appropriated funds under the 9th triennial adjustment required by Rule 31 | | 6,65,855 12 11 |
| Net balance on 30th April 1852 — *Co.'s Rs.* | | 39,53,776 10 — |

| APPROPRIATED FUNDS, 1851–52. | *Co.'s Rupees.* | *Interest.* |
|---|---|---|
| Balance on 30th April 1851 | 1,12,98,680 7 4 | 6,77,920 13 3 |
| Value of the above-mentioned annuities | 27,08,864 12 1 | 40,910 6 — |
| Re-credit on account of excess payment for annuities, of the late W. Wright, N. Smith, J. E. Wilkinson, R. W. Maxwell, and J. F. Cathcart | 58,294 1 5 | 2,092 6 7 |
| *Co.'s Rs.* | 1,40,65,839 4 10 | 7,20 923 9 10 |
| | | 1,40,65,839 4 10 |
| Deduct: | | 1,47,86,762 14 8 |
| Payments to 121 annuitants of their quarterly annuities | 11,01,045 6 6 | |
| Ditto to 42 annual ditto, and a donation of 500*l.* | 4,23,038 4 3 | |
| Interest charged upon the quarterly-paid annuities | 23,334 12 6 | |
| | | 15,47,418 7 3 |
| Add: | | 1,32,39,344 7 5 |
| Amount of transfer from unappropriated funds under the valuation adjustment made under Rule 31 | | 6,65,855 12 11 |
| Balance on 30th April 1852 — *Co.'s Rs.* | | 1,39,05,200 4 4 |
| Total Balance — *Co.'s Rs.* | | 1,78,58,976 14 4 |

(Errors Excepted.)

Civil Service Annuity Fund Office,
28 December 1852.

*G. Adams,*
Secretary and Accountant.

The meeting then proceeded to elect managers for the ensuing year, when Messrs. W. B. Jackson, C. Allen, C. B. Trevor, E. A. Samuells, and W. Maples, were duly elected.

Proposed by Mr. Harvey, and seconded by Mr. Palmer, that the managers be requested to adjourn the meeting convened for the consideration of the Honourable Court's Despatch of 18th August 1852, from the 31st January to the 14th February next, and to issue the requisite notice.

Carried *nem. con.*

Mr. Harvey then gave notice of his intention to bring forward at the above meeting two motions, which he read, the first having reference to the object of that meeting, and the second having reference to Messrs. Blunt and Rattray's claims, connected with which a letter from Mr. Blunt was laid on the table.

After some discussion, the meeting agreed to leave it to the chairman to decide whether these notices of motion could be recorded in the proceedings of this day's meeting. The chairman gave his decision as follows:—

"Mr. Harvey's first notice of motion has reference to the object of the meeting fixed to be held on the 14th February. He would have a right to bring the motion forward then, as an original motion or an amendment, and I can see no objection to its being notified beforehand if he wishes it. It will therefore be received, recorded, and notified.

"The second is on a matter which (to use the word of section 25 of the rules) is not *the object* of the meeting notified by the managers originally for this day and since postponed, and no requisition signed by nine members of the institution has been put in, requesting that that meeting should be made special for the object of Mr. Harvey's proposed motion. The subject could not then be entertained, and it would be irregular and useless now to notify that it would be brought under discussion. The question, therefore, being left by the meeting for me to decide, I do so against recording the notice proposed."

Accordingly Mr. Harvey's first notice was recorded as follows:—

"That a respectful memorial be submitted to the Honourable the Court of Directors, through the Supreme Government of India, gratefully acknowledging and thankfully accepting the Honourable Court's compliance with the first proposition of the service: that every retiring subscriber, shall, irrespectively of his own contributions, be entitled to the unconditional grant of 500 *l.* per annum from the fund, after a service of 25 years, including an actual residence in India of 22 years; in addition to which grant from the fund, each qualified subscriber to be entitled to receive such addition to his annuity as the amount of his aggregated contributions, or of any fine that he may pay at the period of retirement, will purchase under the tables of the fund; provided that this additional amount shall not exceed 500 *l.* per annum.

"That the said memorial shall also gratefully acknowledge the permission to purchase the further advantage, viz., one additional annuity of 500 *l.* per annum, the payment of the 10 annuities quarterly and to date of decease, and invalid pensions, which has been conceded to the subscribers as an equivalent for the appropriation of a portion of the unappropriated capital of the fund to the amount of 15,40,100 rupees; but soliciting at the same time the abrogation of the condition annexed to this permission, 'that no refunds shall be allowed;' and further soliciting as an equivalent for the further unappropriated capital of 10,86,257 rupees, proposed to be capitalized, that refund of excess subscriptions above the half value of their annuities be allowed to all annuitants both past and future, which sum, it is calculated, will cover all such claims."

A motion by Mr. Maples was likewise referred by the meeting to the chairman who recorded his decision as follows:—

"Mr. Maples has proposed that it should be a rule that in submitting questions for the decision of the service, the Minutes recorded by the minority should be circulated. A question arises, can this motion be entertained by this meeting? I am called upon to decide it.

"Rule 25 clearly indicates that the *object* of a meeting should be advertised six weeks before the same be held, and Rule 26 enacting, as it does, that the votes of absent members should be received by proxy, shows that the intention of this is to give absentees an opportunity of giving their vote. It is true that in rule 25 it is declared that the general meeting shall receive and audit the accounts and decide any questions which may arise; but by this evidently is only meant *any* questions relating to the object of the meeting. Were it otherwise, Rule 26 would be a nullity, for absent members would have no opportunity of voting as provided.

"In my opinion, therefore, Mr. Maples' proposition cannot be entertained by this meeting."

Thanks were voted to the chairman.

Civil Service Annuity Fund Office,
1st January 1853.

(signed) *R. H. Mytton,*
Chairman.

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(CIRCULAR.)

To the Subscribers to the Bengal Civil Service Annuity Fund.

IN circulating the annexed copy of a letter from the Secretary to the Government of India, in the Financial Department, dated 4th October, with copy of a Despatch from the Honourable Court of Directors, dated 18th August, the managers think it necessary to offer a few observations with regard to the course which it may be proper to adopt at the general meeting, advertised to take place on the 1st January 1853.

It

It will be observed that the Honourable Court has been pleased to accede to the several requests * contained in the memorial of the subscribers to the fund, which was agreed to at the general meeting of 11th August 1851, upon the conditions specified in paragraph 22 of the Despatch. One of those conditions it has become impossible to fulfil according to the tenor of the preceding paragraphs, because the 26½ annuities referred to in paragraph 17, which were untaken at the time of the revising committee's report, and which the court propose should be absorbed, have since been appropriated; as indeed have also 9½ of the annuities falling due on and after the 1st May 1851, since the termination of the experimental period, and the only annuities now available are 8½ out of the nine which became due on the 1st May last. But after setting aside the value of these 8½ annuities there is still an unappropriated balance † largely exceeding the amount specified in paragraph 22 of the Despatch, which is available for the purposes therein mentioned; and the managers entertain a confident hope that upon this balance (or a portion of it equal to the amount indicated by the court) being appropriated as capital, for the support of the fund under the revised constitution, the Honourable Court will be induced to waive the further requirements which are implied in the condition above referred to. Indeed, the managers understand that the boon of allowing the fixed annuity of 500 *l.* to be made payable quarterly and to the date of decease, although brought into the calculation of extra charges in paragraph 16, is granted without reserve, and that the financial conditions mentioned in paragraph 9 have reference only to the contemplated grant of a tenth annuity.

| † Balance on 1st May 1852 (say) | | | *Rs.* 46,00,000 |
|---|---|---|---|
| Less value of 4 annuities since taken, less fines received | *Rs.* 3,56,800 | | |
| Value of 8½ annuities remaining, less fines | 7,97,900 | | |
| Refunds, &c. | 84,600 | (say) | |
| | | | 12,00,000 |
| | | *Rs.* | 34,00,000 |

The managers do not very clearly apprehend the principle of the calculation in paragraph 18, or what connexion the aggregate of subscription balances has with the amount of capital at credit of the fund; but of course if a portion of the large surplus which was unappropriated at the date of the revising committee's report could now be applied to make good the values of the additional annuities (over and above the fixed 500 *l.* per annum) to which retiring subscribers will be entitled according to the amount of their contributions, as seems to be intended in the paragraph referred to, the amount to be appropriated annually out of current income would be proportionally reduced. This, however, is impossible, and in consequence the annual deficiency of income to be paid by the company will, if the tenth annuity be granted, be greater than is estimated in paragraph 19. But as the Honourable Court has admitted the increased number of subscribers to be a valid ground for an increase to the number of annuities under the new system, the managers would trust to the liberality of the court to carry out the principle, irrespective of any financial conditions.

The position of a subscriber retiring upon an annuity under the proposed system, as compared with that heretofore in force, will be as follows:—

He will receive from the fund an annuity of 500 *l.* per annum, payable quarterly and to date of decease, instead of an annuity of like amount, payable only annually.

And he will receive this annuity without being obliged, as heretofore, to make up a sum sufficient, with his previous contributions, to purchase another annuity of equal amount.

On the other hand, he will have to pay for the annuity purchased by his own contributions a price higher by 6 per cent. than the price paid under the old system.

The result is, that a subscriber who chooses to make up his contributions to such an amount as would entitle him to the full annuity of 1,000 *l.*,‡ will pay for his annuity about 1,164 rupees more than he would pay according to the old rates and rules. On the other hand, a subscriber who retires on an annuity, say of 250 *l.*, purchased by his own contributions, added to 500 *l.* from the fund, will pay for his total annuity of 750 *l.*§ less by about 518 rupees than he would have to pay for it were he allowed (as he is not) to take an annuity of that amount under the old system. Subscribers who have paid up more than the half value of a full annuity of 1,000 *l.* will not, of course, be affected by the change.

| ‡ New Scheme. | *Rs.* |
|---|---|
| Value of 500 *l.* at old rates | 53,920 |
| Quarterly, and to date of decease, for 500 *l.* | 2,203 |
| Additional 6 per cent. | 3,367·8 |
| *Rs.* | 59,490·8 |

| Old Scheme. | *Rs.* |
|---|---|
| Half value of 1,000 *l.* at old rates | 53,920 |
| Quarterly, and to date of decease, payments for an annuity of 1,000 *l.* | 4,406 |
| *Rs.* | 58,326 |

| § New Scheme. | *Rs.* |
|---|---|
| Value of 250 *l.* at old rates | 26,960 |
| Quarterly, and to date of decease, payment for 250 *l.* | 1,101 |
| Additional 6 per cent. | 1,684 |
| *Rs.* | 29,745 |

| Old Scheme. | *Rs.* |
|---|---|
| Value of 250 *l.* | 26,960 |
| Quarterly, and to date of decease, on 750 *l.* | 3,303 |
| *Rs.* | 30,263 |

*N. B.*—This is, in fact, what the subscriber would have to pay under the old system for an annuity of 750 *l.*, were he absolved from the necessity of making up his contribution to the half value of 1,000 *l.* Under the rules as they stand such a payment (less 1,101 rupees) would purchase only an annuity of 500 *l.*

There

* 1st. That every retiring subscriber be allowed the option of making up his contributions to the value of an annuity of 1,000 *l.*, or of retiring on a smaller annuity, equal to the value of his accumulated subscription added to an annuity of 500 *l.* from the fund; and that the annuities be made payable quarterly and to date of decease.

2d. That the Company make up the income of the fund to a sum sufficient to provide 10 annuities annually, besides invalid pensions.

There can be no question, therefore, that the scheme sanctioned by the Honourable Court will confer an essential benefit on the great body of the service. And with regard to the increase of 6 per cent. it is to be observed that while the valuation tables must in any case have been re-adjusted at the end of the experimental period (see paragraph 62 of the Court's Despatch of December 1824), there is every reason to believe that even with the addition of 6 per cent. as prescribed by the court, the values given in the tables are still rather below than above the real values of the annuities.*

For these reasons the managers recommend to the service thankfully to accept the modifications in the constitution of the fund described in the Court's Despatch, upon the guarantee of the court, that so long as the subscribers continue to pay 4 per cent. on their emoluments, the company will allow interest thereupon at 6 per cent., and will also provide the means of making up the values of ten annuities of 500 *l.* annually, besides invalid pensions of 250 *l.* and 125 *l.*, and of making up any deficiency that may be found in such values at the triennial adjustments; and to express their willingness to comply with the requisitions specified in paragraph 22, so far as is practicable under existing circumstances.

They advise the subscribers also to agree to the proposed modification of Rule 25. The managers would have preferred that all questions should be decided by a majority, but upon this point they think that the service should yield to the opinion of the court. The proposed addition to Rule 15 will of course be adopted; that to Rule 26 has already had the sanction of a general meeting.

It is right to explain that the error adverted to in paragraph 2 of the Despatch is an error in appearance only, not in fact, arising from the erroneous manner in which the accounts of the year 1836–37 were entered in the table annexed to the revising committee's report. The balance shown in the table is nevertheless correct.

Annexed is a vote paper which subscribers are requested to fill up and transmit to the chairman of the meeting, as prescribed by Rule 26.

By order of the Managers,

Civil Service Annuity Fund Office,
November 1852.

*G. Adams*, Secretary.

VOTE PAPER.

To the Chairman of the General Meeting of Subscribers to the Bengal Civil Service Annuity Fund, to be held for the consideration of the Honourable Court's Despatch of 18th August 1852.

I vote† accepting the modifications of the constitution of the Annuity Fund proposed in the Honourable Court's Despatch, of the 18th August 1852, and complying, as far as possible, with the conditions specified in para. 22 of the Despatch.

I vote† adopting the revised rules, as modified by the Honourable Court.

To the Managers of the Bengal Civil Service Annuity Fund.

Gentlemen,

No. 2196. Financial Department.

WITH reference to your secretary's communication, dated the 6th September 1851 with its inclosures, reporting on the position and prospects of the Civil Service Annuity Fund in Bengal, on the close of the first 25 years of its operation, and soliciting the assent of the Honourable the Court of Directors to various alterations in the constitution and practice of the fund, calculated to be advantageous to the subscribers, I am directed by the Most Noble the Governor General in Council to transmit to you the Honourable Court's‡ reply, as conveyed by them in a Despatch to the Government of India, No. 41 of 1852, dated the 18th August last.

‡ Already printed, *Vide* pages 16 to 24.

2. You will observe that while the Honourable Court are willing to make very liberal concessions in favour of the subscribers to the fund, they require on the other hand that certain terms which they specify shall be agreed to by the subscribers as the condition on which the proposed advantages shall be granted to the fund, and I am desired to solicit your especial and early attention to the orders and wishes of the Honourable Court on this head.

3. You

* On this point, however, one of the Members of the Committee of Management considers that the necessity for raising the values of the annuities has not been established, and that there are no sufficient data for estimating such value at present.

† *For* or *against* to be here expressed, and the vote to be signed and transmitted to the Fund Office.

3. You will be pleased to take due notice of the suggestion conveyed in the 6th para. of the Despatch, that an addition of 6 per cent. be made to the price at which annuities have hitherto been valued; it seems probable that the period of 20 years subsequently noticed in the same para. of the Despatch is a clerical error for 25 years, the second experimental period required to elapse before effecting a final revision of the table of valuations of Annuities.

4. Paras. 17 to 20 explain the special conditions of which the Honourable Courts require the fulfilment previous to guaranteeing 10 annuities per annum to the subscribers to the fund, and para. 22 notices generally the terms and understanding on which the Honourable Court will be prepared to comply with the requests they enumerate as having been made to them by the subscribers to the fund.

5. On your reporting that the fund is prepared to assent to the whole of the conditions laid down by the Honourable Court, the Most Noble the Governor General in Council will be in a position to take such further steps as may be necessary to guarantee the carrying out of the objects proposed by the court.

6. The managers will be pleased to attend punctually to the orders conveyed in the 23d para. of the Despatch for rendering a complete statement of the condition, progress and operations of the fund every five years, for submission to the home authorities.

7. And, generally, you will be good enough to carry out the orders of the Honourable Court as explained throughout this important Despatch.

Council Chamber,
4th Oct. 1852.

I have, &c.
(signed) *J. Dorin*,
Secretary to the Government of India

# EAST INDIA (CIVIL FUND).

## P A P E R S

RELATING TO THE

## CIVIL FUND (EAST INDIA).

(*Mr. Newdegate.*)

*Ordered, by* The House of Commons, *to be Printed,*
15 *June* 1863.

351.

*Under* 8 *oz.*

# EAST INDIA (OUDH).

RETURN to an Address of the Honourable The House of Commons, dated 18 March 1868;—*for*,

"COPY of a DESPATCH from the Registrar of the High Court of Judicature at *Fort William* in *Bengal* to the Secretary to the Government of *India*, Foreign Department, No. 1087, dated Calcutta, the 5th day of April 1867, in reference to the CLAIMS of the Representatives of *Monohur Doss* and *Dwarcah Doss* against the late Native Government of *Oudh*."

India Office,
25 March 1868.

H. L. ANDERSON,
Secretary Judicial and Legislative Department.

From *L. R. Tottenham*, Esq., Registrar of the High Court of Judicature at Fort William, in Bengal, to the Secretary to the Government of India, Foreign Department (No. 1087); dated Calcutta, 5 April 1867.

I AM directed to forward herewith, for the purpose of being laid before His Excellency the Governor General in Council, a letter from the Commissioners appointed for the purpose of inquiring into, and reporting on, the Oudh claims, together with their Report on the claim of Mr. Prendergast on behalf of the representatives of certain bankers called Monohur Doss and Dwarka Doss.

Right Honourable Sir and Honourable Sirs,

WE, the Commissioners appointed for the purpose of inquiring into, and reporting on, certain claims preferred against the late native government of Oudh, set forth and described in certain papers furnished to the Government of India, with the Despatch of the Secretary of State, in the Judicial Department, No. 78, dated the 24th of August 1863, beg to submit to your Excellency in Council our Report on the claim described as the claim of Mr. Prendergast, professing to be a claim on behalf of the representatives of certain bankers called Monohur Doss and Dwarka Doss.

It will be seen that very great delay has taken place in bringing this case to a hearing. By notification in the "Gazette," dated the 9th of February 1864, Tuesday, the 16th of February 1864, was appointed for the purpose of entering on the inquiry, and claimants were warned to appear. For reasons mentioned in our report, it was not until the 22nd of November following that the issues were fixed. An order was then made that a Commission should issue for the examination of witnesses in England. It was the duty of the claimant to prepare a draft of the Commission; delay took place in the preparation of the Commission, and it was not ready for transmission to England before the 30th of May 1865. The witnesses were examined, and the depositions, with the exhibits, returned to this country at the end of July or the beginning of August 1866. A day was then appointed for the hearing, when it appeared that a number of printed papers which had been produced and examined in England, and which Mr. Lawford, as solicitor for the Secretary of State, had agreed to admit, had not been sent out from England, and that there were no copies of those papers in this country. After some adjournments it was finally arranged that a day for the hearing should be fixed shortly after the arrival of the first regular Calcutta mail in February of the present year. A further short adjournment took place to suit the convenience of Mr. Justice Campbell, who was engaged as Commissioner in inquiring into matters connected with the famine in Orissa. With the report now presented our labours conclude.

We have, &c.
(signed) *John P. Norman.*
*C. Trevor.*
*G. Campbell.*

Calcutta, 5 April A.D. 1867.

## Claim preferred by Mr. *Prendergast.*

### The Claim called the Calcutta Bankers' Claim, or the Claim of Monohur Doss, and Dwarka Doss, and Seetul Bohoo.

Several claimants have appeared at different times before the Commissioners alleging themselves to be interested in this claim.

Mr. Wellesley Bowes Prendergast, as agent for the representatives of Monohur Doss by his attorney, Mr. St. Barbe Sladen, appears to have been in correspondence with the Secretary of State for India in relation to this claim in August 1863, and afterwards in November 1863 himself addressed a letter to the Governor General of India in Council, asking for time to prepare his case in consequence of the absence of his legal adviser, Mr. Pauncefote, in China.

At the first meeting of the Commissioners, on the 16th of February 1864, Mr. Carruthers appeared for Mr. Prendergast, and stated that the original papers which he required in order to support the claim were in China, having been sent by accident to Mr. Pauncefote.

The Commissioners ordered that the claimant should put in a written statement, and annex copies of all documents on which the claim was based, and if the documents were in any other language than English, authenticated copies of the originals, with English translations annexed, were to be put in within 10 days. It was also arranged that the Advocate General on behalf of the Secretary of State, should put in a written statement detailing the grounds of resistance to the claim, and that copies of the written statements should be exchanged between the parties.

On the second day of sitting, 1st March 1863, Mr. Newmarch, instructed by Mr. Carruthers, appeared for Mr. Prendergast, and on an affidavit sworn by Mr. Carruthers and one Parbutty Churn Nundy, who described himself as a Mooktear, and stated himself to be the duly authorised agent of Baboo Hurruck Chund, now of Benares, the sole representative of Monohur Doss, one of the original claimants, and also of Baboo Joynarain Doss, Juggonauth Doss, and Bany Sahoi, all of Benares, the sole representatives of Dwarka Doss, the other original claimant, setting out the facts, applied for further time to file a written statement. The Commissioners allowed further time, viz., till the 1st of May, for filing the written statement. The Commission was then adjourned.

On the 1st of July 1864 Mr. Carruthers stated that he was not claiming on behalf of Mr. Prendergast. The Advocate General objected that he must either abandon the claim which was put forward on behalf of Mr. Prendergast, or give satisfactory proof that he was duly authorised by the representatives of the late Mr. Prendergast to assent to the claims in the form then made. Mr. Carruthers asked for time to communicate with the representatives of Mr. Prendergast in England.

Mr. Prendergast has put in no written statement, and has not since appeared personally or by any agent before the Commissioners. So far as regards Mr. Prendergast's claim, we may observe that the 37 Geo. 3, c. 142, s. 28, contains the following provision:—

"Nor shall any British subject by himself or by any other person, either directly or indirectly, for his own use and benefit, take, receive, hold, enjoy, or be concerned in any bond, note, or other security or assignment granted, or to be granted, by any native prince in India after the 1st of December then next, for the loan or for the repayment of money or other valuable thing without the consent and approbation of the Court of Directors of the East India Company, or the consent and approbation of the Governor in Council of one of the said Company's Governments in India first had and obtained in writing, and any person doing, acting, or transacting, or being concerned in any actings, doings, and transactions, contrary to this Act shall be deemed and taken to be guilty of a misdemeanor at law, and shall and may be proceeded against and punished as such by virtue of this Act before any court of competent jurisdiction; and all bonds, notes, assignments, or securities for money of what kind or nature soever taken, held, or enjoyed either directly or indirectly for the use and benefit of any British

British subject contrary to the true intent and meaning of this Act shall be, and the same are hereby declared to be, null and void to all intents and purposes." How far this applies to Mr. Prendergast's claim, we think we need not at present examine.

*Doyal Kisto Doss,* alleging himself to be the representative of Budinath Doss, appeared before the Commissioners on the 16th of February 1864. As his claim was not one of those mentioned in the original Commission, the Commissioners refused to hear him. He then stated that his claim was identical with, or a part of, that put forward by Mr. Prendergast, whose claim was named in the Commission, and on his application the Commissioners directed that notice should be given to him when the claim of Mr. Prendergast should be investigated in order to enable him to be present. Notice was subsequently given, but neither Doyal Kisto Doss nor any one representing him ever again appeared before the Commissioners.

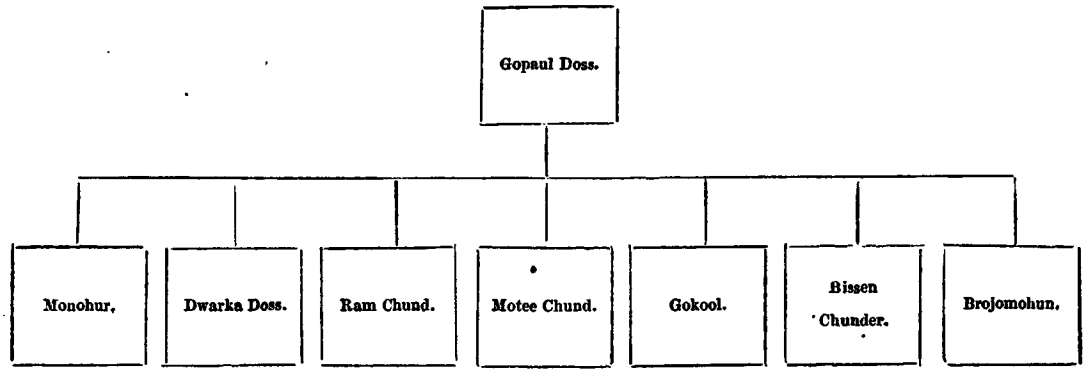
It is supposed that Doyal Kisto Doss is dead.

*Hurruck Chund.*—On the 30th of April 1864, Messrs. Dallas and Carruthers transmitted to the Commissioners a written statement on behalf of Hurruck Chund Doss and Joynarain Doss, as the descendants of the original claimants, Monohur Doss and Dwarka Doss, verified by Parbutty Churn Nundy, describing himself as of Sham Bazar, in the town of Calcutta, the duly constituted agent of Hurruck Chund Doss and Joynarain Doss. The President of the Commission declined to receive this written statement upon the ground that the Commissioners were only to inquire as to the claims preferred against the late Native Government of Oudh by Mr. Prendergast, his heirs or representatives. A short time after this, the Honourable A. A. Roberts, C.B., C.S.I., having returned to his appointment in the Punjab, and John Walter Sherer, Esq., C.S.I., having returned to his appointment in the North Western Provinces, it became necessary to appoint fresh Commissioners. The President of the Commission brought to the notice of the Government that claims have been brought forward by persons claiming to be members of the Doss family, and enclosed a letter from Mr. Carruthers alleging that Mr. Prendergast was merely an agent for the Doss family, whose claim had become known in England as Prendergast's claim, and stating that it was so described in the Commission. The President requested the instructions of the Government as to whether or not the claims of these parties were to be inquired into, and received a reply from the Foreign Secretary informing him that the name of the Doss family had been added in the fresh notification without exclusion of Mr. Prendergast's name, so that the investigation of these conflicting claims would be left entirely in the discretion of the Commissioners.

On the 29th of June, the Honourable Mr. Justice Trevor and the Honourable Mr. Justice Campbell were appointed as Commissioners in the place of the Honourable A. A. Roberts, C.B., and Mr. J. W. Sherer, under the 3rd section of the Act, and in pursuance of section 4, a notification was published in the "Gazette of India," to the effect that the Commissioners would on the 11th day of July proceed to investigate (*inter alia*) the claims of Monohur Doss or Seetul Bohoq, or the Doss family, and of Mr. Prendergast. On the 11th of July, Mr. Carruthers tendered the written statement which had been previously rejected, and it was received. The Commissioners called on Mr. Carruthers to produce vakalutnamahs from the representatives of Monohur Doss and Dwarka Doss to show that he really had authority to appear and represent them. Mr. Carruthers asked for time to enable him to do so; but down to the present time he has never put in a vakalutnamah, or produced any written authority authorising him to appear for Hurruck Chund. It is not denied that Hurruck Chund is still alive and residing at Benares, but he has not appeared before the Commissioners either personally or by any agent empowered to represent him in the mode in which such persons are invariably authorised to appear in the Courts of this country.

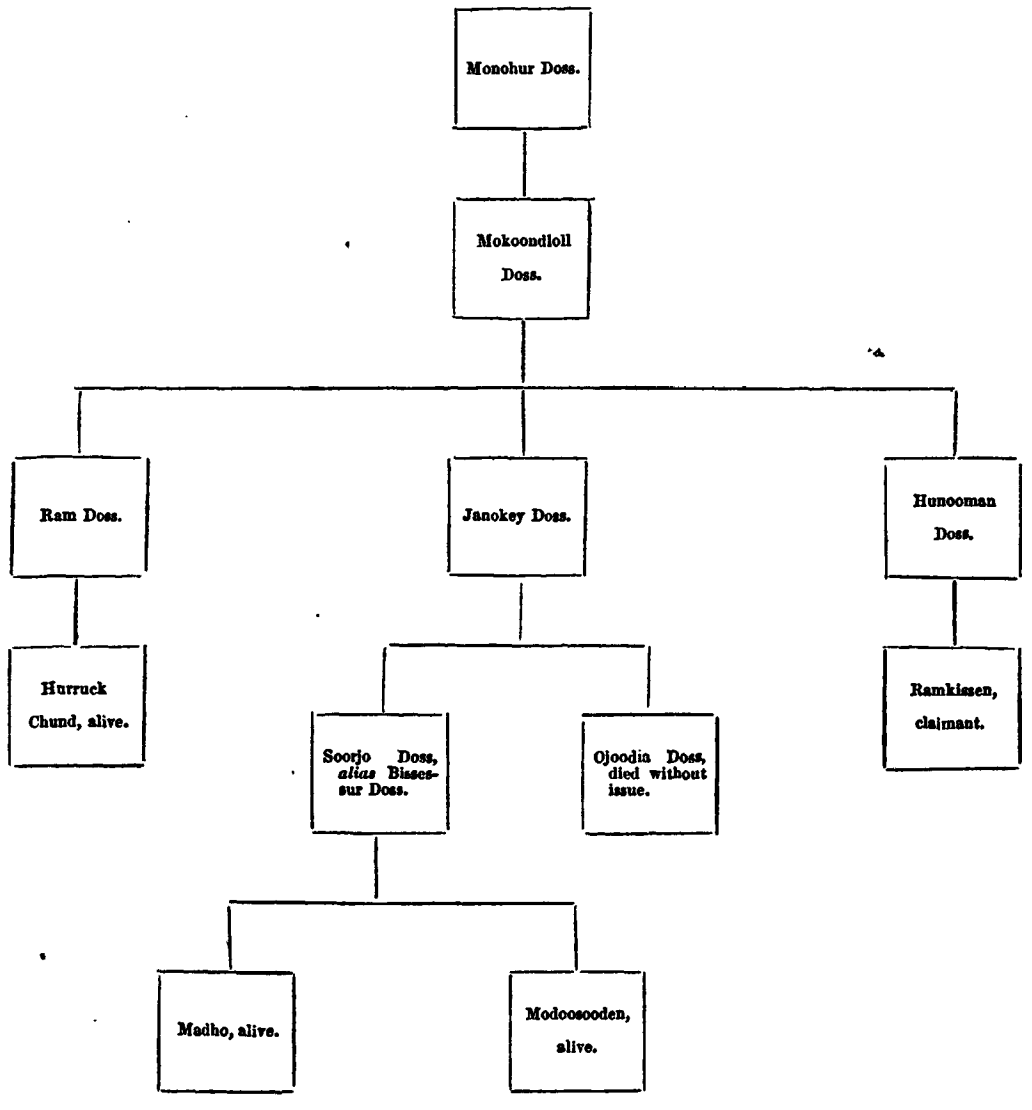
*Ramkissen Doss* claims as a representative of the family of Monohur Doss. Mr. Carruthers put in a warrant authorising him to prosecute this person's claim, dated the 9th of May 1866.

It was stated in evidence by Joynarain Doss that Monohur Doss and Dwarka Doss were the sons of Gopaul, who had seven sons, as follows:




He said he had heard this from Baboo Ram Chund and Baboo Motee Chund; he had seen these two brothers, not the other five. The businesses of Monohur Doss and Dwarka Doss were always separate.

The alleged descent of Ramkissen from, and claim under, Monohur Doss is exhibited in the accompanying tree, which was spoken to by Joynarain in his evidence:—




The bonds produced, purporting to be made in favour of Baboo Monohur Doss are as follows:—

| | *Rs.* |
|---|---|
| 10th February 1795.—Payable out of the territories of the Sircar, with interest at 2 per cent. per month - - - - - - - - | 2,10,000 |
| 16th April 1793.—Payable out of the territories of the Sircar, with interest at 2 per cent. per month - - - - - - - - | 1,02,000 |

In

In the written statement on the part of Hurruck Chund and Joynarain Doss, originally tendered on the 29th of April 1864, it is stated that Hurruck Chund claims to be entitled by family arrangements and partition to the whole interest of Monohur Doss in the subject-matter of this claim; but his title as sole claimant may be disputed by the other descendants of Monohur Doss. At the hearing on the 26th of February 1867 Mr. Paul, who, instructed by Mr. Carruthers, appeared on behalf of the claimant, Ramkissen Doss, put in as part of his case a deed poll, dated the 24th of February 1825, executed by Ram Doss as the grandson and heir and legal personal representative of Baboo Monohur Doss, which contained a recital that Monohur Doss had died at Benares, leaving Muchoonloll Doss, who is apparently identical with Mokoondloll, his only son; that Muchoonloll Doss had died on the 26th of September 1820, leaving three sons, viz., himself, Ram Doss, Baboo Janokey Doss, and Baboo Hunooman Doss, heirs of the property of Monohur Doss and Muchoonloll Doss; that on a division of the property being made the sums which Maharajah Tickait Roy had agreed to pay out of the revenues of the territories of the Vizier, and the bonds, deeds, and writings securing the same were absolutely assigned by Baboo Janokey Doss and Baboo Hunooman Doss to him, Baboo Ram Doss, who was then solely interested in the same; and by that instrument Baboo Ram Doss gave to Mr. Michael George Prendergast full power and authority, if he should see fit, by any deed or writing, or by his last will, to appoint any person as attorney for him, the said Ram Doss. A deed poll of the 7th of March 1835, executed by Baboo Ram Doss, and produced by Mr. Paul as part of his case, contains similar recitals.

The Commissioners pointed out that the recitals in these deeds went to show that the rights of Monohur Doss, whatever they were, are now vested in the heirs of Ram Doss, and that Ramkissen Doss, who appears to be the son of Hunooman Doss, had no interest whatever in the claim.

Mr. Paul admitted that he was not in a position to answer the objection.

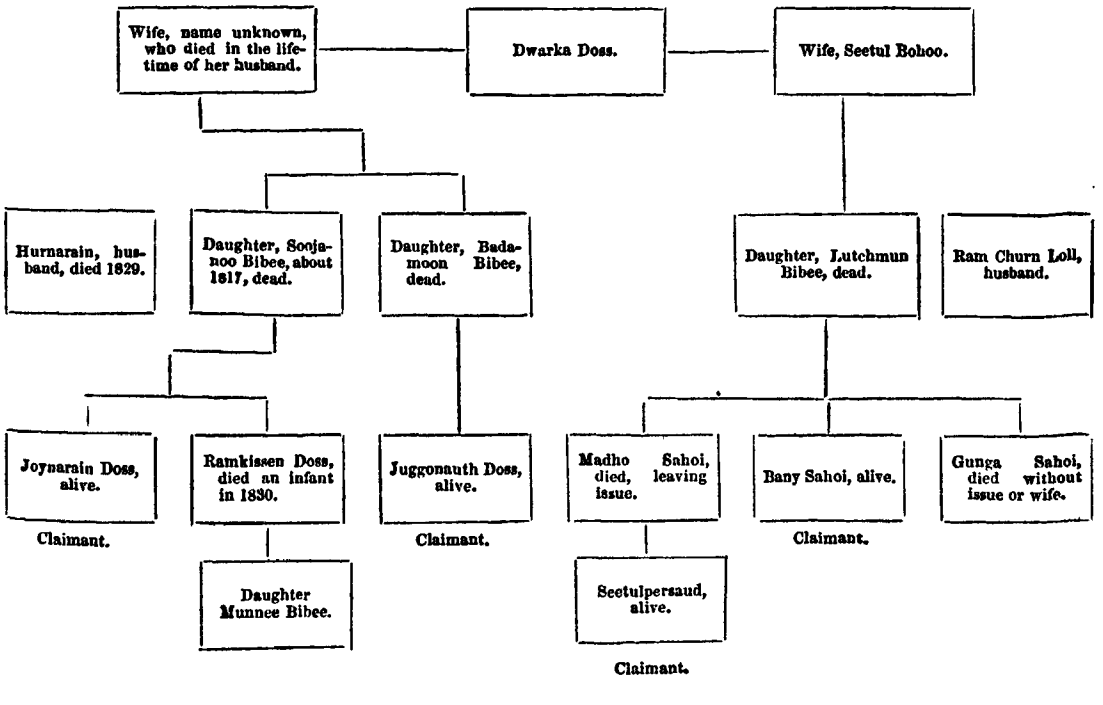
*Juggonauth Doss* and *Joynarain Doss*.—Warrants in writing similar in form to those in use in the High Court in its ordinary original civil jurisdiction, bearing date the 19th of November 1864, were put in authorising Mr. Carruthers to appear and prosecute these claims.

*Seetulpersaud*.—The warrant bears date the 10th of May 1866.

*Bany Sahoi*.—The warrant is dated the 14th of June 1866.

The position of these parties as heirs of Dwarka Doss is exhibited in the following

PEDIGREE.



In the "Gazette of India" of the 15th of October 1864 public notice was given that the Commissioners would meet in a public sitting at the High Court, Appellate Jurisdiction, on the 21st day of November, and sit from day to day for the purpose of hearing and adjudicating upon the claims of the several parties. On the 22nd of November Mr. Paul appeared as advocate for Joynarain Doss and the Advocate General for the Crown, when the following issues were fixed :—

1. Whether the claimants are entitled as representatives of Monohur Doss or Dwarka Doss.

2. Whether the documents on which the claim is based were executed by the several persons by whom the same purport to have been executed, and so as to bind Asoph-ood-Dowlah, the Nawab Vizier of Oudh.

3. Whether there was any, and what, consideration for the signing of the documents.

4. Whether the amount mentioned in the documents, or any part thereof, was due from the Nawab Vizier, Asoph-ood-Dowlah, at the time of his death.

5. Whether such debt must be presumed to have been satisfied.

6. Whether the debt therein mentioned was ever a charge on the revenues of the kingdom of Oudh.

7. Whether by any repudiation by any succeeding Nawab before the annexation those debts ceased to be a charge on the revenues of the kingdom of Oudh.

8. Whether the British Government is now liable to pay the money mentioned in the bonds and in the memorandum.

As to the first issue :—

The first issue is whether the claimants are the representatives of Dwarka Doss, Motee Chund.

*Joynarain Doss*, examined on the 26th of February 1867, said:—I am a Mahajun; I reside at Benares; I knew Ram Churn Loll, the husband of the sister of my mother. Lutchman Bibee was the daughter of Dwarka Doss. I never saw Dwarka Doss. Ram Churn Loll is dead. My father was Hurnarain Roy; mother, Soojanoo Bibee. I have no brother; I had one, he is dead. His name was Ramkissen; his wife is dead; he had a daughter, Munnee Bibee. Ramkissen used to remain with us; I am his heir. We were joint in food and estate at Benares. My age is about 51½. I never saw my mother's mother. My mother is dead about 50 years ago; I was about 14 or 15 months old when she died; my father, Hurnarain, died in 1829. The name of my mother's father was Baboo Dwarka Doss. I have heard that from my brother, Baboo Ramkissen, and my grandmother, my father's mother; my brother died at the age of 28 or 29 in the year 1830, in Calcutta. He was my elder brother, 11 or 12 years older than myself. My father's step-mother was Bussunto; I never saw my father's own mother. I know Juggonauth Doss. I know Bany Sahoi; Bany Sahoi is the son of my mother's sister. Ramkissen and I were children of the same mother; Juggonauth Doss was the son of Badamoon Bibee; I know that of my own knowledge; I have seen her; she was the daughter of Dwarka Doss. I know it from my brother. Lutchmun Bibee was my aunt. Bany Sahoi's mother was Lutchmun Bibee; Ram Churn Loll was the father of Bany Sahoi. I knew Lutchmun Bibee and her husband, Ram Churn Loll; they are both dead. Lutchmun Bibee's father was Baboo Dwarka Doss: I heard it from many persons. We brought a suit for one-third share of his property against Madho Sahoi and Bany Sahoi, and got a decree here, in Calcutta. (He produced a copy of a Persian decree of the late Sudder Court.) Ram Churn Loll was the Mooktear; he died about 25 or 26 years ago. When Baboo Dwarka Doss's widow, Seetul Bohoo, was alive he transacted her business. He used to manage all the 52 kotees and all the law business; he used to manage all the lawsuits and cases for Seetul Bohoo. Madho Sahoi had a son, Seetulpersaud. Gunga, the third son of Lutchmun, died without issue; he was never married. Ram Churn Loll carried on the kotees for Seetul Bohoo in the name of Dwarka Doss. Dwarka Doss's

kotee

kotee was closed 40 or 45 years ago, beyond my recollection. The 52 kotees were closed shortly after Baboo Dwarka Doss's death; the other was in Benares. After Seetul Bohoo's death that business was closed; the Benares kotee was the Sudder Kotee. The books were in the charge of Baboo Madho Sahoi; but he was such a *kumbukht* that he sold them as waste paper and ate the proceeds. I have no papers connected with this claim; my suit was then pending. Where had I any papers? In the Lucknow house Motee Chund had no interest, but his name *was used.*

The decree produced by Joynarain shows that on the 19th of June 1830, Mr. M. H. Turnbull, a Judge of the Sudder Court, affirmed a decision of the Provincial Court at Benares in a suit by Ramkissen and Joynarain, infants, represented by Hurnarain, their father, as their Mooktear, for 25,00,000 rupees, being one-third of the estate of Dwarka Doss, which they claimed as the sons of his daughter, Soojanoo Bibee, alleging that Juggonauth was entitled to one-third as heir of another daughter, Mussumat Bibee Badamoon; that Baboos Madho Sahoi and Bany Sahoi, infants, represented by their Mooktear, Ram Churn Loll, were entitled as sons of Lutchmun Bibee, the third daughter, only to one-third instead of the whole estate of Dwarka Doss, as claimed by the defendants. Large as the amount in dispute would seem to have been, the respondents did not appear on the hearing of the appeal, although, as observed by the judge, a receipt was endorsed on the notice. Perhaps this may admit of explanation if Ramkissen, who survived his father, Hurnarain, was then dead. It appears from the recitals in this decree that the decree of the Provincial Court was passed without specifying the amount under claim.

The suit appears to have been instituted in 1816, and for some reason or other languished until December 1826. The answer, as set out in the decree produced, is a virtual admission of the title of the plaintiffs in that cause.

On the 24th of February 1825, Ram Churn Loll executed a power of attorney in favour of Mr. M. G. Prendergast, reciting that Seetul Bohoo, the sole widow of Dwarka Doss, had died, having by will devised all moveable and immoveable property, as well that possessed by Dwarka Doss as by herself, to Madho Sahoi and Bany Sahoi, the children of her daughter, Lutchmun; that under the said deed of gift, and also as heirs and legal personal representatives of Dwarka Doss and Seetul Bohoo, Madho Sahoi and Bany Sahoi were entitled to all the estates of Dwarka Doss, and that Madho Sahoi and Bany Sahoi were infants under the age of 16 years. Ram Churn Loll, as manager, executor, and trustee of the estates of Dwarka Doss, and as guardian of the infants, appointed Mr. M. G. Prendergast as his attorney, &c. The document is witnessed by Robert North Collie Hamilton, Esq., Officiating Judge and Magistrate of Benares, who certified upon the deed that he knew Ram Churn Loll, the Mooktear or Manager of the kotee formerly of Dwarka Doss; and that he, Ram Churn Loll, transacted all business in courts as such.

On the 25th of May 1827, certain articles of agreement were executed by Ram Churn Loll in the presence of, and attested by Mr. R. N. C. Hamilton, by which Ram Churn Loll agreed to pay to Mr. M. G. Prendergast one full third share of all such sums as should be recovered of the debts claimed from the Native Government of Oudh.

It is not unworthy of remark that, notwithstanding the decree of December 1826, at the time of the execution of this agreement neither Baboo Ram Churn Loll, Mr. Hamilton, nor Mr. Prendergast's agent, should have paid any attention to the interests of Joynarain, Ramkissen, and Juggonauth, the other alleged heirs of Baboo Dwarka Doss.

Joynarain was not cross-examined as to the family history. If his evidence is to be relied upon—and we do not see any reason to discredit it—all the heirs of Dwarka Doss, except, perhaps, Munnee Bibee, were represented before the Commissioner.

None of these parties appear to be in possession of a single scrap of paper or account relating to the present claim.

Before pronouncing that the present claimants represent Dwarka Doss, Motee Chund, or in other words, that the interest of Dwarka Doss, Motee Chund in the money claimed is now vested in them, we think that each of the parties should be called on to come in and support his claim personally; and that advertisements should be issued calling on the heirs of Motee Chund as well as of Dwarka Doss to come in and support any claim they may have, and an inquiry

might then take place as to whether the decree of the Provincial Court was *bonâ fide* or not, and whether it was executed or acted on in any way. Had we not considered that the claim was unsustainable on other grounds, we should have instituted these further inquiries ourselves; but, for reasons which will afterwards appear, we have thought it unnecessary to put the parties to further expense.

Before going further we desire to observe that while Mr. Prendergast, Mr. St. Barbe Sladen, and Mr. W. B. Prendergast, are pressing these claims actively enough on the Home Government, it is very remarkable that their supposed clients are not forthcoming when looked for in this country.

Of the descendants of Monohur Doss, only one has come forward to put in his claim before the Commissioners, though Hurruck Chund is stated to be alive and a banker in good circumstances at Benares.

Ramkissen Doss, the son of Hunooman Doss, who was grandson of Monohur Doss, appears to have been persuaded by some one or other to put in a warrant authorising Mr. Carruthers to appear for him on the 9th of May 1866. But, on his own showing, it was at once apparent that he had no title whatever.

Of the descendants of Dwarka Doss, Seetulpersaud and Bany Sahoi, who represent the parties in whose behalf, as heirs of Dwarka Doss, the claim has been pressed on the Government by Mr. Prendergast from 1809 down to the end of 1863, never appeared in person before the Commissioners, and, apparently, were not persuaded to authorise the parties conducting the case to prosecute any claim on their behalf till the middle of the year 1866.

Joynarain and Juggonauth, who are represented to be descendants of the daughters of Dwarka Doss by another wife, not Seetul Bohoo, appeared for the first time as claimants after this Commission opened. It is by no means clear how they came into communication with Mr. Prendergast or Mr. Sladen: they were certainly not Mr. Prendergast's original clients. It does not appear that Mr. Prendergast was ever employed as agent for them or their mothers. If Mr. Prendergast was really merely prosecuting the claim as an agent, to be paid in a particular manner, it is singular that he should have been allowed to keep possession of all the securities and of both the duplicate copies of the several agreements with Ram Doss and Ram Churn Loll.

As to the second, third, fourth, and fifth issues:—

By the written statement put in as on behalf of Hurruck Chund and Joynarain Doss, it is stated that the claimants seek to have it declared that the representatives of Monohur Doss and Dwarka Doss are entitled to have paid to them, by the Secretary of State in Council, out of the public revenues of India, the several shares to which they may be respectively entitled, the amount of principal and interest due on the several memoranda, tunkahs, or bonds, as follows:—

In favour of Dwarka Doss, Motee Chund, and other Mahajuns.

19 March 1794.
Memorandum under seals purporting to be the seals of Tickait Roy and Hossein Reza, with interest at 2 rupees per month - - - *Rs.* 2,70,000

In favour of Dwarka Doss, Motee Chund.

10 April 1794.
Bond under the seals of Tickait Roy and Hossein Reza, payable out of the revenues of the territories of the Sircar, with interest at 2 per cent. per month - - - - - - - - - - - *Rs.* 1,21,200

6 February 1795.
Memorandum signed by Hoolas Roy—borrowed for the expenses of the Dooab, with interest at 2½ per cent. per month - - - - *Rs.* 3,85,000

In favour of Biehmoorut Shirsohoy Patuck.
No date.—Seal illegible - - - - - - - - - - *Rs.* 37,500

15 May 1795.
Order in favour of Baboo Ramsoonder, with interest at 3 rupees per month - - - - - - - - - - - *Rs.* 33,000

None of the petitioners are shown to have any interest whatever in these two last documents. Baboo Ramsoonder is entered separately as a creditor and claimant for 33,000 rupees in Mr. Cherry's list; he is not before us in any way.

We have only to deal with the three instruments first above mentioned.

Documents purporting to be the originals in Persian of the several bonds and memoranda

randum:—"Memorandum opened by Lord Strangford, the 10th June 1851.—*C. S. K.*" That memorandum was proved to be in the handwriting of Mr. Carey Seymour Knyvett, who was in 1851 a partner in the firm of Messrs. Hopkinson, but is since dead. As to the previous history of the silken bags and their contents, Mr. Wellesley Bowes Prendergast, whose evidence was taken by commission in London, deposed:—"I was born in May 1816. I was 18 years of age when my father, Mr. M. G. Prendergast, died in 1834. I knew Mr. Beatty well: he was an intimate friend of my father and his family; I always looked upon him as a kind of guardian. I was told by Mr. Beatty, on the day when he deposited the packet with Messrs. Hopkinson, that the deposit had been made. I saw certain bags like those now produced in my mother's jewel box prior to my father's decease. I never opened the bags. I believe the bags now produced to be the same bags."

Mr. Charles Milner Ricketts, examined by commission in London, said:—"I was born on the 17th April 1776. I entered the Civil Service in India in 1791, and almost immediately went out to India. I remained about 27 years in India. During that time, amongst other offices I held were those of Secretary to the Government for the Public Department and Financial and the Chief Secretary to the Government, and also Principal Private Secretary to the Governor General, Lord Moira. I was also a Member of the Supreme Council in the Bengal establishment. Whilst in India I was acquainted with Monohur Doss, and also Dwarka Doss, who were bankers at Calcutta and Benares. I also knew Mr. Michael George Prendergast, merchant in Calcutta and 'Oudh; he left India in 1808 or 1809. Mr. M. G. Prendergast was agent for the above-named bankers in prosecuting their claims against the Nawab of Oudh. They entrusted me with certain documents, to be transmitted by me to Mr. M. G. Prendergast in England, and I transmitted them through the captain of a ship to him. I believe that the seven documents enclosed in seven small silken bags now produced are the seven documents which I received from Monohur Doss and Dwarka Doss, and which were transmitted by me to Mr. Prendergast."

Being cross-examined, he said:—"I identify these documents, because Mr. William Coates Blaquiere, Translator and Interpreter to the Supreme Court, put a number in each bag, and also certain other figures, which I now recognize. I saw a document put into each bag. I had all that time a slight general knowledge of the Persian language. From the appearance of the documents, I believe them to be the same documents that were put into the bags in my presence." (*Examination in chief proceeded with.*)—"I had copies and translation of the aforesaid documents made by W. C. Blaquiere in triplicate. One set I gave to the bankers, Doss, another set to Mr. Prendergast in England, and the third I gave to Mr. Blaquiere for the purpose of his keeping a record in his office." *Cross-examined.*—"I did not read any of the documents of which I have been speaking at the time they were entrusted to me, and I cannot read these documents now."

By this evidence it appears to us to be proved that these ancient documents have been produced from the custody in which they may reasonably have been expected to have been found; that they are the bonds and memoranda which were handed by Monohur Doss and Dwarka Doss to Mr. Ricketts for transmission to Mr. M. G. Prendergast for the purpose of recovering or enforcing the payment of the monies due upon them; and though Mr. Justice Campbell is not satisfied on this point, the majority of the commissioners see no reason to doubt that they were sealed and executed by the several persons whose names respectively appear thereon.

There is no evidence to show that Hoolas Roy, whose signature appears to the document for 3,80,000 rupees, had authority to bind the Nawab Vizier by the statement of an account.

Apart from this, the bonds and memoranda do not show what was the amount actually due to Baboo Dwarka Doss, because the amount of 2,70,000 rupees mentioned in the bond of the 16th Srabun, 1208 Hijree, is said to be borrowed from Dwarka Doss *and other mahajuns.* No accounts have been produced to show how much of the amount admitted to be due by this bond is the share of Dwarka Doss.

We are, therefore, compelled to fall back on Mr. Cherry's statement of the accounts of Rajah Tickait Roy. It appears from these accounts that Dwarka

Doss then claimed as due to him *Rs.* 9,25,056. 7*a.*; but we have nothing to show how that sum was made up.

We have been unable to identify with certainty the amounts in the bonds and memoranda given to Dwarka Doss, with the items and figures in the account of debts delivered to the resident by Rajah Tickait Roy on the 3rd of November 1795, or with abstract statement delivered by Rajah Tickait Roy on the 3rd November 1795, at the close of his administration. We are, however, led to conclude that the sum of 2,23,128 rupees appearing in the jumma khurch accounts of Rajah Tickait Roy as due to Dwarka Doss on account of money paid for the use of the *Dooab*, in all probability represents the debts mentioned in the paper under the signature of Hoolas Roy as 3,85,000 rupees. At the foot of the memorandum for 3,85,000 rupees is an entry which might lead to the inference that either *Rs.* 2,30,106. 10 *a.*, or *Rs.* 67,362. 4 *a.* 3 *p.*, or both, are brought over from some earlier accounts. Possibly, the account may have been made up with Hoolas Roy to 3,85,000 rupees, by the addition of interest and compound interest.

But at the foot of Mr. Cherry's abstract statement of account is an entry that "the debt appearing by the jumma khurch is the principal due, while the creditors have, many of them, added an interest to the principal."

The abstract statement shows that amongst the sums appearing due by the Vizier's Government, according to the jumma khurch accounts of Rajah Tickait Roy, is a sum under the name of Munsaram, 3,45,999 rupees, with a note that, according to the accounts delivered by the creditors, "this appears to be added to the account of Dwarka Doss (called there Doorkara Doss) Motee Chund."

It therefore appears that Munsaram, who is shown from other papers to have been the agent and Gomashta of Dwarka Doss, Motee Chund, made no claim to this sum of 3,45,999 rupees, but that the house of Dwarka Doss did. The sum of 3,45,999 rupees probably represents the amount admitted by Rajah Tickait Roy to be due to the kotee of Dwarka Doss on the two bonds for 1,21,200 rupees and 2,70,000 rupees respectively. The difference between the entry to the credit of Munsaram, 4,02,132 rupees, in the account of 1795, and the sum 3,45,999 rupees entered as due in the accounts of 1796, may perhaps be explained in this way: There are two items entered on the later accounts separately as due to Munsaram, one on a *tunkah*, or assignment of revenue in his favour on Ismael Beg; the other on a *tunkah* on Azimghur. Probably, if the amount of these two sums due in respect of securities not now in question, together with money which might have been realised on such securities between the 18th of July 1795 and the 14th of April 1796, be deducted from 4,02,132 rupees, the gross amount entered to the credit of Munsaram in the account delivered to the Resident by Rajah Tickait Roy on the 3rd of September 1795, it would leave a balance of something like 3,45,999 rupees, as appearing in the abstract statement of the debts in 1796, as due in respect of the monies paid to and for the use of the Government and the Company's subsidy.

This sum added to *Rs.* 2,23,128. 0. 6 would make a sum of *Rs.* 5,69,127. 0. 6 due to the bankers, Dwarka Doss, Motee Chund. These debts are stated to be due from the Vizier's Government. The amount of 4,02,132 rupees is entered as due to Munsaram on the 18th of July 1795 under the head of "sums appropriated to the expenses of Government and to the payment of the company's subsidy," and the amount entered as due to Dwarka Doss, Motee Chund, on that day under the head of "sums appropriated for the use of the Dooab under the superintendence of Rajah Hoolas Roy."

We think it, therefore, sufficiently proved that the sum of *Rs.* 5,69,127. 0. 6 was due from the Nawab Vizier to the house of Dwarka Doss, Motee Chund, for principal, money lent. There is nothing to lead to the inference that any part of this money was paid by the Nawab Vizier between April 1796 and his death in 1797. Indeed, we find it stated in a letter from the Resident at Lucknow to the Governor General, Sir John Shore, dated the 28th of September 1796, that "the native creditors had agreed to admit a deduction of one-half the interest at three per cent., which they had received on former loans, and to accept payment of all the remaining principal sums due to them by instalments in six years, giving up all claim to interest on the bonds now in their possession. The only person amongst them all who has rejected the terms is Munsaram, the agent of the house of Dwarka Doss, son of Gopaul Doss, at Benares, who expressed

expressed his readiness to receive the principal in the same manner as settled with Europeans, but was refused."

There is nothing to show that anything has ever been received by the creditors on account of the bonds in question since the date of that letter.

This disposes of the second, third, fourth, and fifth issues.

As to the sum of 3,45,999 rupees entered under the head of Munsaram, there appears no reason to doubt that the sum was borrowed for the service of the State, and that the debt was contracted in the administration of public affairs. In fact, it is in evidence that this money was appropriated to the expenses of the Government and the payment of the company's subsidy.

The amount of 2,23,128 rupees entered under the name of Dwarka Doss, Motee Chund, appears to have been appropriated for the use of the Dooab, or rather Dawabb, which has been translated—animals, quadrupeds, cattle, or beasts. We are not informed and do not know exactly what is referred to by this word, but in the accounts of Tickait Roy the money is stated to be due from the Government of the Nawab Vizier. We cannot say that the bond on the face of it shows that the money was lent for the purpose of the State.

The seventh issue is, whether by any repudiation of any succeeding Nawab before the annexation the said debts ceased to be a charge on the revenues of the State of Oudh.

This resolves itself into two questions:—first, whether such a repudiation took place in fact; and secondly, what was its effect on the rights and position of the creditor?

When Saadut Ally was at Benares, before he was placed on the Musnud, he appears to have entered into an arrangement that the just debts of Asophood-Dowlah should be discharged.

Shortly after he was placed on the Musnud and had been recognised as Nawab Vizier of Oudh, at the time of the negotiations which led up to the treaty of the 10th of November 1801, he submitted certain articles to the Resident for the consideration of the Governor General in Council. In article 1 he says:—"The payment of the debts of my predecessor, Asoph-ood-Dowlah, is not stipulated for in the existing treaty. I am, moreover, unable to liquidate the debts contracted in the late reign, but this is an affair which will be adjusted between the State and the creditors of the late Nawab, and regarding which the company are in no shape responsible, the treaty being silent on the subject." Lord Wellesley replied that "the object of these articles appears to be under the shelter of the British name to cancel all the public debts of the State of Oudh." The clause objected to by Saadut Ally was not inserted in the treaty, and in referring to this transaction the Court of Directors, in a paper presented to the House of Commons in 1822, express their opinion that they could not interfere in favour of Mr. Prendergast "without imposing upon a friend and ally an obligation from which he had been deliberately relieved."

In January 1816 the Earl of Moira, then Governor General, in a Minute on the claims of Monohur Doss and Seetul Bohoo, remarks that Mr. Strachey, the Resident at Lucknow, might be instructed to take advantage of some favourable opportunity for stating the demand as one which it would be creditable to the justice and honour of the Nawab Vizier to liquidate. In a despatch from the Government of Bengal to the Court of Directors, dated the 9th of November 1816, the Governor General in Council reports that Mr. Strachey having brought the matter to the notice of the Nawab Vizier, he declined all concern with the claims in question, and that, under this positive declaration of the Nawab Vizier not to entertain the claim, the Government of Bengal did not feel itself warranted in pressing the claim further on his Excellency's attention without the express sanction of the Court of Directors, for whose consideration and orders the case was submitted. Subsequently, in a letter dated 12th of February 1819, the Court refused to sanction any further pressure being put upon the Nawab Vizier.

It is, therefore, in our opinion, proved that, as a matter of fact, the claim was repudiated by the native Government of Oudh.

The question then arises what is the effect of such a repudiation?

The debts incurred by Asoph-ood-Dowlah were very large, and, according to the statement of the Resident at Lucknow in a letter to the Governor General, dated 2nd of July 1795, "accumulated by mismanagement, and not by necessity,

for the revenues of the country were adequate, diminished as they were, to the necessary expenses of it." He says, " A heavy load of debt exists, overwhelms the resources of the Government, and, until put into a train of payment, precludes all steps to reform. The debtor, in consequence of the amount to which the debts have accumulated, cannot support his credit but by measures which furnish temporary relief and increasing embarrassments. He can borrow no money but at exorbitant interest and ruinous security. The creditor furnishes his assistance with a view of these distresses, demanding, not only greater profit in proportion to his risk, but the best security he can suggest. He finds it necessary, on the same principle, to make the period short, which the necessities of the debtor compel him to comply with. In this case it is difficult to say which imposes on the other. The wants of the debtor are great, and oblige him to sacrifice all that ought to establish confidence between man and man. He holds forth terms calculated to blind the creditor from seeing the dangers to which his property is exposed, and necessity thus forces his measures; on the other hand, the creditor pleads risk for availing himself of the necessities of his debtor, and both calculate on their success, while the revenues of the State suffer by this source of evil in addition to many more. The creditor, impelled at first to lend his money by the profits which it will yield him, listens to the terms, accepts the security tendered to him, and trusts partly to the honour of his debtor and partly to other influence to recover his money; for, in fact, there is no security where there is no law to enforce the terms of it. Aware of this, the creditor limits the period of payment to a short date, which not only increases his profits, but protects him from the effects of revolutions in the Government; to these, however, he must be subject, &c. The safety of the debt depends on the continuance of the debtor in power; and it is a circumstance very extraordinary that the Executive Government of Oudh has so established its influence by the pernicious principles on which it has so long existed, that neither the consent of the Nawab Vizier nor any act of his have been demanded by the creditor. How far the Executive Government may have pledged his territories for the payment cannot yet be known."

Eventually Rajah Tickait Roy, having been instructed by the Vizier to prepare a schedule of the debts due by the Government, delivered an account of such debts to the British Resident on the 3rd of November 1795. On the 31st of March 1796 the Vizier delivered to the Resident a paper containing the following statement:—" Now that I have examined the list of the Army, and the Ministers are deprived of their power, I have discovered their embezzlements." Another instance is as follows:—" They pursued a curious plan under the name of bankers and Europeans who had money concerns with the Government. They put lakhs of rupees, the profits of their own embezzlements, in the disbursements of my Government, and drew up bonds in the name of bankers and English gentlemen; for of the debts stated, near a half of it belongs to them. For example, in the bond to Colonel Martin for 25 lakhs more than three-fourths is theirs and one-quarter may be Colonel Martin's. In like manner is Mr. Johnson's bond, and several other gentlemen and bankers."

The Resident writes upon this:—" His Excellency observes in this paper that he has discovered their embezzlements. When he made this declaration he had not seen a paper, but had delivered the paper to me for inquiry.

" The result of this inquiry has been since delivered to him in writing, and purposely that he may pronounce his judgment and decide between the part of Tickait Roy's conduct, which has been wrong, and that which I could not in justice but commend. It is generally reported and believed, as the Vizier states, that Tickait Roy's dependants have involved themselves improperly in the loans; but I can yet procure no public instrument on which to proceed in this respect, &c. I beg leave now to observe that so long has the system been carried on, and so firmly united are all the creditors in a resolution to keep secret their own connection with the officers of Government, that nothing short of a declaration from the Vizier that, setting aside prejudice, he resolves to do strict justice will expound this intricate combination.

" It was adopted through fear of injustice, and rigid justice only will unravel it."

It appears from a letter of Mr. Lumsden, the Resident, to the Governor General, dated 28th September 1796, that Buddinauth Roy, Dhunput Roy, and others of the former Amlah of Rajah Tickait Roy, had acknowledged that 7,60,000 rupees

7,60,000 rupees of General Martin's debt, 51,000 rupees of Mr. Johnson's, and 50,000 rupees of Mr. Bruce's debt were their property.

We pause here for a moment to consider the position of Asoph-ood-Dowlah as Nawab Vizier. Although he exercised the rights of a sovereign, and although the East India Company had treated with him and his predecessors as such, he was still nominally dependent, and that dependence might at any time have become real had an energetic ruler sat on the imperial throne at Delhi. The Nawab Vizier of Oudh was not recognised as king by the British Government till 1819.

If Asoph-ood-Dowlah and his successors are not to be treated as sovereigns, it would, of course, follow that debts contracted by them, or in their names, would not be charges on the revenues of the State. We think they must be treated as sovereigns *de facto*, and if so, it was within the competence of Saadut Ally Khan, the successor of Asoph-ood-Dowlah, to determine to what extent the State was bound by these debts.

If he had reason to believe that his predecessor or his Government, without any adequate necessity, had contracted immense debts capable of ruining the nation, or that the creditors lent their monies on the personal responsibility of his predecessor as a life tenant, and not as believing, or having a right to believe, that the debts were a permanent charge on the revenues of the State, it was a matter on which he as sovereign was competent to decide. He clearly had the power to determine whether or not the State of Oudh was bound by these debts.

Apart from the special circumstances of this case, we think it may be laid down broadly that the sovereign power in a State, the authority to which is confided that absolute power which must in all Governments reside somewhere, is competent to determine whether or not it is bound by obligations entered into in its name. If it repudiate those obligations, the act of repudiation may be morally right or a flagrant wrong. It may be an act which in the opinion of others is disgraceful to the repudiating State; but can it be considered as inoperative? Could it be contended that any person subject to the law of France could assert a right to be paid in full the amount of an assignat which might be in his possession, notwithstanding the law of 1795, by which they were made redeemable by the delivery in lieu thereof of mandates at one-thirtieth of their nominal value? Was the repudiation of debts by the American Governments wholly inoperative? Could it for a moment be contended that these debts are still charges on the revenues of the Empire of France or the Government of the United States? We think not. The repudiation is binding at least on creditors who are subject to, or bound by, the laws or acts of the repudiating State.

In Pufendorf's "Law of Nature and Nations," Book VII., c. 2, s. 14, it is said—"Where the sovereignty is lodged in a single individual, there the State is supposed to choose and desire whatever that man (who is presumed to be a master of perfect reason) shall judge convenient in every business or affair which regards the end of civil Government."* Hence there naturally arises this question, whether, if he in whom the public will resides, wills otherwise than he ought to do, and consequently sins in the exercise of this public will, the action which proceeds from a will thus depraved is to be looked upon as the action of the State? For every person who submitted his own private will to that of the Prince is supposed to have done it with this intention, that the Prince should will nothing but what should be just in itself and advantageous to the public. It seems reasonable to pronounce that an action proceeding from the abuse and corruption of the public will is in itself a public action, or the action of the State, because performed by the sovereign as considered in that capacity. So Grotius, Book II., c. 14, s. 1, distinguishes "between the acts of kings which they do as kings and the private acts of those kings; for what they do as kings is looked upon as done by the whole nation." Pufendorf, Book VIII., c. 10, s. 7, says—"The prince may defer his payments when any pressing exigence of State obliges him to turn the money another way which should have been paid to the private subject, and from hence it appears what is to be determined about the *tabulæ novæ*, or general discharges from debts or obligations, which Solon calls Σεισαχθεία, or

Quoted from the English edition of 1729.

(*) As to the case where a question arises between the subjects of different States, see the judgment of Lord Ellenborough in Conway Gray, 10; East, 536.

or the shaking off a burden." Then, did the act of the Nawab Vizier bind Dwarka Doss?

It must be observed that the contract was made, and the debt became due and was payable, in the State of Oudh. The money appears to have been advanced by, and due to, Dwarka Doss, Motee Chund, which was the name of that branch of the banking house of Dwarka Doss which was established in Lucknow. The creditor, therefore, must be taken to have been a temporary subject of the State of Oudh, and in respect of this debt at least subject to the sovereign authority of the Nawab Vizier. Moreover, it is a general rule that a defence or discharge good by the law of the place where the contract is made, or to be performed, is good everywhere, and extinguishes the contract.

The conclusion at which we arrive is, that the debt now in question was repudiated by the Native Government of Oudh, and that by such repudiation the debt ceased to be a charge on the revenues of the State of Oudh.

The eighth issue is, whether the British Government is now liable to pay the money mentioned in the bonds and memoranda.

The answer seems very simple. As to public debts, Mr. Wheaton says:—"A mere change in the form of the Government, or in the person of the ruler, does not affect these obligations. The essential form of the State, that which constitutes it an independent community, remains the same; its accidental form is only changed. * * * The new Government succeeds to the fiscal rights, and is bound to fulfil the fiscal obligations of the former Government. It becomes entitled to the public domain and other property of the State, and is bound to pay its debts previously contracted."

We think that such obligation is confined to debts actually subsisting at the time of the transfer of the Government. To all other claims, to debts extinguished by the act of the former sovereign, the maxim would apply, "*Non debet quod rite et secundim leges ab initio actum est, ex alio eventu resuscitari.*"

The greatest practical injustice might be done if the rule were otherwise. In the present case we have persons lending money at usurious interest 24, 30, and 36 per cent., on the doubtful security of an officer of the Mogul Government * * * occupying the position of an independent sovereign. No doubt the lenders knew with whom they were dealing, and took a rate of interest sufficient to cover the risk of losing their money. The adventure was a loss. Are the subjects of the British Government or the State of Oudh now to be made liable to indemnify them, and pay this debt with the accumulated interest for so many years, for that is the right of the claimants if they are entitled to anything at all? The general rule as regards poor rates in England is, that a retrospective rate cannot be made, because it is unjust to make those who are to-day inhabitants of the parish, a fluctuating body, liable for the expenses of the parish in past years. If it be said that it is never too late to remedy a wrong, we should be prepared to say that a somewhat analogous principle must apply to such a claim as the present, where it is sought to make the people of India, or the present inhabitants of the province of Oudh, responsible for debts incurred by the mismanagement or extravagance of a sovereign who died 70 years ago.

5 April 1867.

(signed) *John P. Norman.*
*C. Trevor.*
*G. Campbell.*

# EAST INDIA (OUDH).

COPY of a DESPATCH from the Registrar of the High Court of Judicature at *Fort William* in *Bengal* to the Secretary to the Government of India, Foreign Department, No. 1087, dated Calcutta, 5 April 1867, in reference to the CLAIMS of the Representatives of *Monohur Doss* and *Dwarcah Doss* against the late Native Government of *Oudh*.

(*Sir Arthur Buller.*)

*Ordered, by* The House of Commons, *to be Printed*,
26 *March* 1868.



*Under* 2 *oz.*

# EAST INDIA (OUDH.)

RETURN to an Address of the Honourable The House of Commons, dated 10 August 1859;—*for*,

"COPY of LETTER from the Government of *India* to Lord *Stanley*, dated the 17th day of May 1859, with reference to certain CLAIMS upon the late NATIVE GOVERNMENT of *Oudh*."

India Office,
11 August 1859.

J. W. KAYE,
Secretary in Political and Secret Departments.

(No. 70.)

To the Right Honourable Lord *Stanley*, M.P., Her Majesty's Secretary of State for *India*.

Fort William, Foreign Department,
17 May 1859.

My Lord,

WITH reference to the correspondence, noted on the margin,* respecting certain alleged claims upon the late native Government of Oudh, we now reply to the Court's Despatch of 17th June 1857.

Mr. Frith's claim

2. It appears to us that the British Government is not, either morally or otherwise, under any obligation to discharge the whole or any part of the debt alleged to be due to Mr. Frith, as representative of his late grandfather, Colonel Robert Frith, upon the bond entered into by Azoff-ul-Dowlah, dated 31st July 1785; and, in our opinion, it would be very inexpedient to admit that any such obligation exists, by offering to pay any part either of the principal or interest. Such an admission, even if it extended only to the principal, might be used as a strong argument in support of the claim to interest, at the rate reserved by the bond, viz., 12 per cent. per annum, and would probably cause many similar claims to be raked up and brought forward, not only in the case of Oudh, but also in the case of other native States, which have lapsed to the British Government.

3. In the Memorial, dated the 31st June 1856, and addressed to the Chairman and Deputy Chairman of the Honourable Court of Directors, Mr. Frith makes use of many arguments, which have from time to time been urged, for the purpose of showing that an obligation existed on the part of the East India Company before the annexation of Oudh, to discharge the debt out of the general revenues of India; but those arguments are of no greater force now than they have been at any time since the date of the bond; and whatever differences of opinion may have existed at one time, as to the obligation of the East India Company to urge upon the King of Oudh the importance of an immediate and effectual adjustment of the debt of the Lucknow† bankers, we do not find that anyone ever entertained the opinion that the East India Company were bound to satisfy that or any similar demand, of which there were many, out of the general revenues of India.

4. From 1790 down to the present time, frequent applications have been made

* Letter from the Honourable Court, No. 22, dated 17 June 1857. Letter to the Honourable Court, No. 58, dated 22 August 1857.

† *See* Correspondence relating to claims of Calcutta bankers on the King of Oudh, printed by order of the House of Commons, 3 June 1834.



BOMBAY BRANCH

made for payment of the debt alleged to be due to Mr. Frith, and other similar claims; but the late Honourable Court of Directors and the Government of India have invariably refused to interfere, either by discharging the debt, or even by urging the Nawab Vizier to do so, though they have on several occasions allowed the claim to be presented to the Vizier, by the Resident, as the sole and regular channel of communication between the Vizier and British subjects. (*See*, amongst others, Letter from Secretary to Government of India to the Resident at Lucknow—Consultation 18th May 1816, No. 28.)

5. The only new ground which has been urged by Mr. Frith in the memorial now under consideration is, that the East India Company having succeeded to the kingdom of Oudh and its revenues, are bound to discharge all just claims against the former Government. But, if the length of time (upwards of 70 years), which has elapsed since the debt was contracted, and the repudiation of the debt by six successive sovereigns, who have dealt with the revenues of the State, as if the debt had never existed, are not in the present case to be deemed a bar to any recognition of the demand, it is impossible to say how many old claims against native States which have lapsed to the East India Company may not be preferred upon similar grounds. Mr. Frith appears to consider that the East India Company are now under the same obligation to satisfy the debts contracted by Azoff-ul-Dowlah, as they would have been, if the Nawab Vizier Saadut Ali had, in 1799, abdicated, and made over the whole of his territories and revenues to the East India Company; and in order to show that such an obligation would have existed, if Saadut Ali had abdicated in favour of the British Government, he quotes the explanation of Lord Mornington respecting the 10th Article of the Treaty, tendered in November 1799, by which it was stipulated that the Nawab Saadut Ali should not be responsible for any debts contracted by the late Nawab.

6. In that explanation his Lordship made the following remarks:* "The justice and necessity of discharging the *bonâ fide* debts to the native† creditors of the State, and also the arrears of the civil and military establishments are apparent, and it might with strict propriety be expected that the Nawab should apply a part of his treasures to the liquidation of these demands. The Company, however, are willing to take upon them the discharge of all such of these demands as, on investigation, shall be found to be equitable. His Excellency must, however, be sensible that the Company could never think of taking upon themselves this heavy burthen, without being put in possession of the complete control over the resources of the State, from the improvement of which, under a course of steady and economical management, they can alone expect to be reimbursed for the amount."

7. It should be remarked that, according to the proposed treaty, the Nawab Vizier was to abdicate in favour of the East India Company. Bearing this fact in mind, the explanation above quoted shows, that Lord Mornington considered that, in strict justice, Saadut Ali, even if he should abdicate, was bound to apply part of his large treasures (treasures which he had amassed from the revenues of the State) to the liquidation of the debts of Azoff-ul-Dowlah, but that the East India Company might be willing, notwithstanding, to take upon themselves such of the debts due to the native creditors as, upon investigation, might be found to be equitably due; provided the Nawab Vizier would abdicate in favour of the Company, and make over to them the whole of his territories and revenues. Upon such conditions the East India Company were willing to enter into the treaty tendered, by which the Nawab was to abdicate, and the East India Company were to stipulate, in the terms of the 10th article, that "he should not be responsible for any of the debts contracted by Azoff-ul-Dowlah." But admitting that in 1799, when the justice of the claims might easily have been investigated, the East India Company were willing to take upon themselves the payment of the

* Correspondence relating to claims of Calcutta bankers, printed 3 June 1834, p. 11.

† It is to be observed that Lord Mornington speaks only of native creditors. The reason seems to be twofold: 1st. Because Mr. Lumsden had reported that all the European creditors, with the exception of Mr. Bruce, had been paid; 2d. Because it was contrary to the orders of the Court of Directors, even before the 37 Geo. 3, c. 142, for British subjects in the service of the Company to be concerned in loans to the native princes. (*See* recital, s. 28 of that Act.) It was 1799, in which Lord Mornington spoke of the native creditors only, notwithstanding Colonel Frith had sent in his second memorial in 1798.

the debts equitably due to the native creditors, upon condition that Saadut Ali would abdicate in favour of the Company, it by no means follows that any obligation now exists to pay those same debts, because the Company have obtained possession of the revenues of the State under totally different circumstances, and without any condition whatever.

8. In 1799, the justice of the claims might easily have been investigated, and if any of the debts had been found to be equitably due, and had been paid at that time, the payments would probably have been made to the persons with whom the debts were contracted. This certainly would have been the case as regards Colonel Frith,* if anything had been found to be equitably due to him. But if the demand be paid now, the payment must be made, not to Colonel Frith himself, but to a descendant in the second degree from him, who would not, in all probability, have been one whit the richer if the debt had been paid to his ancestor. In fact, Colonel Robert Frith stated in his memorial, that the money alleged to have been advanced by him on account of the Nawab, was money which he had borrowed from natives, whom he would be unable to pay unless he should receive both the principal and interest due to him. There is every reason therefore to suppose that the persons who actually advanced the money were never repaid by him, and we would ask, what security is there that they will ever receive a farthing, even if Mr. Frith be now paid the full amount of the bond, with interest? But it may be said that if there is a strict right on the part of Mr. Frith to receive payment of the bond, considerations such as these cannot bear upon the question. It may be proper, therefore, to consider whether the acquisition of the revenues of Oudh in 1856 imposed upon the East India Company any obligation to pay the debts contracted by Azoff-ul-Dowlah in 1785. We hold that it did not, even if it could be proved, which it certainly has not been to our mind, that the services alleged to have been rendered, or the monies advanced, were rendered or advanced on account and upon the credit of the State, and not upon the mere personal credit of Azoff-ul-Dowlah. We would go further, and say not only that no such obligation exists, but that it would be unjust to the present generation to apply the revenues of the State in payment of debts contracted upwards of 70 years ago, instead of applying them towards improving the condition of the people. Mr. Frith's petition is not accompanied by a copy of the bond, and we have not been able to obtain one; but we will assume that Azoff-ul-Dowlah bound himself and his successors, the strongest case against the British Government, for it is not pretended that Colonel Robert Frith ever received a tunkah or assignment of the revenues for more than the one lac of rupees which were paid to him. There is a wide difference between a constitutional Government and a Government such as that of Oudh, under the Nawab Viziers, in which they, as *quasi* absolute sovereigns, were allowed to squander, upon their own personal vices and gratifications, as much of the revenues of the State as was not appropriated to the purposes of Government. In the case of The Government of Bombay *versus* Ameer Chund, Lord Tenterden asked, "What is the distinction between the public and private property of an absolute sovereign"? He said, "You mean by public property, generally speaking, the property of the State, but in the case of an absolute sovereign, who may dispose of everything at any time and in any way he pleases, is there any distinction"? And, in delivering judgment in the same case, his Lordship remarked: "I have already intimated my opinion, and I have the concurrence of the other Lords of the Council with me in it, that when you are speaking of the property of an absolute sovereign, there is no pretence for drawing a distinction; the whole of it belongs to him, as sovereign, and he may dispose of it for his public or private purposes, in whatever manner he may think proper." Although the Viziers of Oudh dealt with the revenues of the State very much like absolute sovereigns, and disposed of them during their own lives just as they pleased, they were not, in strictness, absolute sovereigns; they were merely delegated by, and subject to, the paramount power, and had no authority without the consent of that power to assign over to a private individual any portion of the territories placed under their government, or to charge the public revenues so as to bind their successors. To admit that Azoff-ul-Dowlah could have charged the revenues with

* Colonel Frith did not die until the year 1800.

with the payment of any debts which he contracted, even though the money might have been expended for the purposes of Government, would be to admit that he could have appropriated the whole of the current revenues of the State to his own private purposes, and have borrowed money for the immediate purposes of Government, upon the credit of his successors, and upon the security of those revenues, by which alone they could properly carry on the government of the country.

9. But even, if Azoff-ul-Dowlah or any other vizier had the power to borrow money for the purpose of Government upon the credit of the revenues of the State, and to charge such debts upon the revenues, so as to bind his successors, we think it is clear that he had no power to exempt his immediate successors and to throw the whole burthen of his extravagance upon the people of the third or fourth generation after him, by charging his debts upon the revenues of 1857 or any subsequent period. If Azoff-ul-Dowlah had done so, we apprehend that the British Government would not now have considered themselves morally bound to discharge such debts, after six sovereigns or viziers in succession to him, had, without regard to the interests or welfare of the people, been squandering the revenues of the State upon their own personal gratifications and follies, or in amassing wealth to be dissipated by others.

10. If, in the case supposed, the British Government would not have recognised the debts as a charge upon the revenues, of which they became possessed upon the annexation of Oudh, we cannot see any good reason why they should admit their liability to satisfy any portion of the present demand, for by so doing they will be admitting that Azoff-ul-Dowlah and the six succeeding sovereigns had power to do that which any one of them singly could not have done. If the necessities of the State required that debts should be contracted upon the security of the revenues, those debts ought to have been repaid out of the first revenues available for the purpose, after satisfying the current expenses of the Government of the country, and making a liberal allowance for the support of the king and his family and attendants, in a manner suitable to their rank and condition.

11. Admitting this principle to be the correct one, all the debts contracted by Azoff-ul-Dowlah, assuming that they were necessarily incurred for the benefit of the State (a fact which we no means admit), ought to have been paid, if not in the lifetime of Azoff-ul-Dowlah, at least during the reign of Saadut Ali, for the latter accumulated out of the revenues of the State a much larger sum than was sufficient to pay all the debts of Azoff-ul-Dowlah.

12. It is said that his accumulations amounted to 13,000,000 sterling.* The whole of these large accumulations were inherited by his son Ghazee-ood-deen Hyder, who succeeded as vizier in 1814; yet that prince, as well as his father, entirely repudiated all responsibility to discharge any of the debts, contracted by Azoff-ul-Dowlah.

13. In a letter of the 29th October 1816,† from the Nawab Vizier Ghazee-ood-deen Hyder to the Resident at Lucknow upon the subject of other claims, he writes, "The claim of Captain Frith, which was forwarded to me in your letter of the 15th Shaol (8th September) is of a similar description. You will be pleased to bring these circumstances to the favourable attention of his Excellency the Governor General, so that there may be neither discussion nor correspondence hereafter on affairs of this nature." Again, on the 21st December 1816, he addressed the Resident as follows: "I cannot consider it incumbent on me to have any concern with demands referable to the time of the Nawab Azoff-ul-Dowlah, and of which I have no knowledge whatever. My father, at the time of his accession, denied all claims of gentlemen and others relative to the time of my late uncle, and the adjustment of them was not mentioned in the treaty. Therefore, neither this, nor other claims of a similar nature, can at all apply to me."

14. In

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* *See* "Mill's History of India," vol. viii, p. 109. *Note.*—*See* also Mr. Charles Grant's letter. Correspondence as before, pages 44, 45.

† *See* Papers: Cons. 15 May 1839, Nos. 72, 73.

14. In 1840 Colonel Frith renewed his demand upon the King of Oudh, Mahomed Ali Shah, who peremptorily refused to recognise the claim.*

15. Thus, it appears that the debt has been actually and finally repudiated by two Nawabs and one King of Oudh, and it has been virtually repudiated by their successors, all of whom have dealt with the revenues of the State as if the claim had never existed. If the debt ought to have been satisfied at all out of the revenues of the State, which accrued after the death of Azoff-ul-Dowlah, it ought to have been paid by Saadut Ali, or his son Ghazee-ood-deen Hyder, out of the treasure saved by the former from the revenues of the State, to which the latter succeeded; but they both repudiated the debt, and applied those funds to other purposes. We do not think that the British Government, by reason of their acquisition of the revenues of Oudh, are in any way bound to enter into the consideration of a question, which has been finally decided by the former rulers of that State, who have dealt with the revenues upon the footing of that decision. Even admitting that their decision was wrong, and that Saadut Ali was morally bound to pay the debts of Azoff-ul-Dowlah, the British Government are no more responsible for his short comings in this respect, than they are for any of the other delinquencies or omissions of any of the former rulers of the State.

16. If Azoff-ul-Dowlah, having sufficient funds from the revenues to enable him to discharge his debts, had applied those funds to his own private purposes, leaving his debts unpaid, the British Government would surely not have been bound to pay those debts in consequence of their obtaining the State and its revenues 70 years after the debts were contracted, and if not, there does not appear to be any valid ground for contending, that the people of the present generation ought to bear the burthen of these debts, which, if they had not been repudiated, might have been paid out of Saadut Ali's savings from the revenues during the period of his rule.

The people of Oudh gained nothing by his amassing the great wealth, which was inherited by his son, nor would the State have been injured, if he or his son had appropriated a portion of his revenues to the payment of the debts of Azoff-ul-Dowlah instead of appropriating them as they did; but as rulers of the State they repudiated the debts, and applied the surplus revenues in a manner wholly unprofitable to the State.

17. It cannot be urged, that if the province of Oudh had never been annexed, the alleged creditors of Azoff-ul-Dowlah would have been paid by the native Government to which the British Government succeeded. The native Government had absolutely repudiated the debts, and it is quite clear that they never would have paid them.

18. In the debate which took place in the House of Commons on the 28th of July 1834, upon the subject of the claim of the Lucknow bankers, Sir Robert Peel, after illustrating the impolicy of taking up the case, concluded his speech by referring "to the possible assumption of the Government of Oudh by the British Government, and solemnly deprecating in that case the commencement of the exercise of sovereignty by appropriating 1,100,000 *l.* sterling of the property of the territory to the liquidation of a claim for which it did not appear that the British Government had ever made itself, in the slightest degree, responsible." (*See* Thornton's History of India, vol. 6, page 21.) Mr. Thornton refers to the "Mirror of Parliament" as his authority; but we have not the book here, and have therefore not been able to see that report of the speech, but we have referred to the opinion, as it completely accords with our own.

We have thought it right to consider the case upon general principles, because there are many other similar claims upon which it will be necessary to come to a decision.

19. In regard to Mr. Frith's claim, we cannot help thinking that the lac of rupees which he received upon the tunkah, was as much as he was fairly entitled to under the bond, and we think that it was probably considered by Azoff-ul-Dowlah, and his minister, as a settlement of his demand.

20. This

* *See* letter, Resident to Colonel Frith, 24 June 1840. Memorial, 12 November 1841, para. 7. Cons. 22 November 1841, No. 95 A.

20. This case affords proof of the difficulty of investigating claims of 70 years' standing, and of the wisdom of the remark made by Ghazee-ood-deen Hyder, "that he could not consider it incumbent on him to have any concern with demands referable to the time of Azoff-ul-Dowlah, of which he had no knowledge whatever."

21. The claim made by Mr. Frith consists of two items:

| | *Rs.* |
|---|---|
| Principal due upon bond to Colonel Robert Frith, dated 31st July 1785 - - - - - | 2,70,000 |
| Allowance for 12 months, ending 31st July 1786, for commanding a company of the Nawab's battalion, at 5,000 per month - - - - - | 60,000 |
| *Rs.* | 3,30,000 |

Against this sum credit is given for one lac of rupees received by Colonel Robert Frith upon a tunkah or assignment on the Nawab of Furruckabad, payable by three kists in 1789–90, 1790–91, and 1791–92 respectively, and the balance, with interest at 12 per cent. to the present time, is claimed.

22. The balance in 1818 amounted to 11,87,458 rupees. It is not necessary to say to what extent it would be increased by the addition of interest calculated at the rate of 12 per cent., or even at the rate of 5 per cent. per annum.

23. Mr. Frith, in his memorial now under consideration, says, "with regard to the interest which has accumulated, that has arisen from an arbitrary refusal of the native Government to pay the debt, the validity of which they never questioned;" and then, with a show of great liberality, proceeds: "Still I am willing to admit that the interest appears to be a fair subject of compromise, and I would respectfully suggest that a moderate and reasonable amount of simple interest should be fixed for the whole period, as the most equitable mode of settling that portion of the claim." We strongly recommend that he should not be paid either principal or interest.

*See* Memorial. Capt. Frith, the father of the present claimant, 20 January 1819. Cons. 15 January, No. 15.

24. It appears that Colonel Robert Frith, then Captain Frith, was aide-de-camp to Warren Hastings in 1782–83 and 1784, and that upon the Governor General's quitting Lucknow in 1784, he was appointed to take the command of a corps belonging to the Nawab, at a salary of 5,000 rupees a month.

25. Mr. Frith and his father, who was the son of Colonel Robert Frith, in the memorials which have been from time to time presented, have always claimed the full amount of the bond, 2,70,000 rupees and interest.* But Colonel Robert Frith, the original creditor in 1798, gave his own account of the transaction.

*See* account, dated 31 January 1798. Cons. 5 March 1798, No. 6.

26. In the account then transmitted by him, he claimed not the whole amount of the principal of the bond, but only 1,50,000 rupees thereof as his share, after deducting:—

| | *Rs.* |
|---|---|
| Mr. Robert Grant's share thereof - - - - | 80,000 |
| Mr. Robert Bruce's share - - - - - | 22,000 |
| Colonel Palmer's share - - - - - | 18,000 |
| *Rs.* | 1,20,000 |

He also claimed 60,000 rupees as his allowance as commanding officer of a corps of sepoys in the Nawab's service for one year, from 31st July 1785 to 31st July 1786, and interest on the above sum at 12 per cent., and he gave credit for 1,00,000 rupees received upon the tunkah on the Nawab of Furruckabad, dated in 1789, and he added the following note: "1st. N.B. Major Frith's share of the bond for 2,70,000 rupees arose from an allowance of 5,000 rupees granted to him by the late Vizier, on the command of four battalions of sepoys being conferred on him, in lieu of all emoluments, from money advanced to the battalions by Buksh

* *See* the account said to have been made out by Colonel Frith's brother in 1798, with interest, account continued to 1 February 1818, showing a balance of *Rs.* 11,87,458. Letter to T. H. Maddock, Esq., dated 4 September 1839. Cons. 20 November 1839, Nos. 103, 104.

Buksh Roye and Kushmery Mull on his credit, and for feeding and other expenses of the gun bullocks of the artillery attached to the battalions. The account of the whole was made up to the 31st July 1785, approved of, and the bond granted."

27. Thus it appears that his share of the bond consisted partly of arrears of his allowance of 5,000 rupees a month, due prior to the 31st July 1785; partly of money advanced by two natives on his credit (whether they were ever repaid or not does not appear), and partly on account of expenses of the gun bullocks, &c.

28. The other item claimed by him was 60,000 rupees for arrears of allowance from 31st July 1785 to 31st July 1786. To this item he attaches a note:—

"2d. N. B. A bond for 40,000 rupees, in part of the 60,000 above charged, was offered to Major Frith, but rejected, because the full amount of his allowances was not included."

29. The above account was dated 31st January 1798. Colonel Robert Frith had, however, in 1790, sent in a previous account, in which he showed, that his claim for principal on the bond amounted to only 1,00,000 rupees. There seems to be no reason to suppose that Colonel Robert Frith's claim for principal on the bond exceeded 1,00,000 rupees, the amount stated in his first account in 1790; and, if so, it is probable that the 1,00,000 rupees received on the tunkah was intended to cover his demand upon the bond, for we find that an arrangement was subsequently made, on behalf of Azoff-ul-Dowlah, with all his other European creditors, by which they, with one exception, agreed to receive the principal of their debts, without interest.

*See* Cons. 9 March 1798, No. 5. Letter to Lord Cornwallis, dated 19 October 1790, and Encl. T. Cons. 20 October 1790, No. 190.

"In 1795, the Vizier Azoff-ul-Dowlah became sensible of the urgent necessity of retrieving his affairs, and requested the British Government to allow their Resident, Mr. Cherry, to assist him in ascertaining the amount of his debts, with the view to their liquidation. Sir John Shore consented to the Resident's affording the required assistance, and promised the communication of his own opinion upon the result whenever called upon; but he restricted Mr. Cherry's interference in the adjustment of the claims, to transmitting applications and forwarding answers. In the performance of this duty, Mr. Cherry had an opportunity of informing himself of the Nawab's debts, which appear, from a statement he received from the minister and transmitted to the Governor General in November 1795, to have amounted to 1,02,40,120 rupees, besides 75 lacs for salaries to officers." (*See* Correspondence as above, p. 6.)

30. Mr. Lumsden succeeded Mr. Cherry, as Resident, and the following is his account of the arrangement:—

"The whole of the principal debt has been paid to the European creditors, Mr. Bruce excepted, half in gold and half in silver, and they have each executed a general release and given up their bonds. The negotiation was finally closed at a late hour last night, when Rajah Janoo Lall proceeded to join the Vizier, having previously ordered away the money which he had deposited in my treasury for the purpose of paying Mr. Bruce,* if he had acquiesced in the Vizier's offer. Mr. Bruce demanded interest, as well as principal, and thus lost his whole debt, amounting to 4,50,000 rupees. The other European creditors had consented to receive the principal of their debts without interest." (*See* same Correspondence, p. 7.)

We have examined the list of creditors sent in by the minister to Mr. Cherry, but the name of Colonel Robert Frith is not mentioned therein, which leads us to suppose that having received on the tunkah one lac of rupees, which, according to his account of 1790, was the full amount of the principal due to him on his bond, or for some other reason, he was not acknowledged as a creditor by the Nawab or his minister in 1795, when the Nawab was arranging to compound with his European creditors by paying them their principal without interest.

31. We

* *Note.*—This Mr. Robert Bruce is no doubt the same person who is said by Colonel Frith to have had an interest in the bond to the extent of 22,000 rupees, and if so, that sum was in all probability included in his demand.

31. We do not find, in the list of creditors, the name of Mr. Robert Grant, or that of Colonel Palmer, the former of whom Colonel Frith admitted to be interested in the bond to the extent of 80,000 rupees, and the latter to the extent of 22,000 rupees.

32. The latter is, no doubt, the Major Palmer who was the private agent o Warren Hastings at Oudh, so frequently alluded to in the articles of impeachment, and who is said himself to have had a salary of 22,800*l.* a-year. (*See* Burke's Charges, No. 16, s. 89.)

33. This is also, we presume, the gentleman who is referred to in Mr. Frith's present memorial as having ascertained the balance due to Colonel Frith, though no mention is made of the fact, that he himself was one of the persons interested in that balance. Mr. Frith says: "Major Palmer resigned his office in 1785, and, in making up his accounts, ascertained the balance due to Colonel Frith from the Nawab. For this amount, a bond, bearing interest at 12 per cent., was sealed by the Nawab, in favour of Colonel Frith, and officially delivered to him by Major Palmer." * * *

"With respect to the debt, no question can, I think, arise, as Mr. Palmer, the Resident at Lucknow, has given most ample proof of its correctness, both in his report to the East India Company, and in his letters to my father."

34. What Mr. Palmer had to do with ascertaining the balance due to Colonel Frith from the Nawab, in making up his own accounts, we are at a loss to conjecture. We have no doubt that Major Palmer must have received his share of the principal of the bond, for, in his letter dated 21st August 1813, to Captain Frith, the son of Colonel Frith, he makes no mention of any part of the principal remaining due to himself. He says, "I am entirely ignorant of the share to which your father was entitled of the bond for 2,70,000 rupees in his name, granted by the Vizier;" but he says nothing of his own share in the bond, or that any portion of what he had himself advanced remained due.

*See* extract of letter annexed to Col. Frith's memorial, dated 12 November 1841; Cons. 22 November, No. 95 A.

35. Mr. Bruce, it appears, was not paid, because he refused to come into the compromise; but that is not a sufficient reason for Mr. Frith's now claiming his share. The whole claim, so far as the bond is concerned, is so unsatisfactory, that even if we considered that there ever was any obligation on the part of the East India Company to satisfy the debts of Nawab Azoff-ul-Dowlah, we could not recommend that any portion of the principal or interest on the bond for *Rs.* 2,70,000 should be paid.

36. In 1790, Colonel Robert Frith claimed 1,00,000 rupees only of the principal due on the bond. In 1798, he claimed 1,50,000 rupees as his share. His son and grandson have increased the demand of principal due on the bond to 2,70,000 rupees. Notwithstanding these variances, important under any circumstances, but still more so when interest at 12 per cent. from 1785 to the present time is claimed, we think it is clear that Colonel Frith's share of the principal of the bond did not exceed 1,00,000 rupees, which he claimed at first. It is also clear that he received that amount upon a tunkah, and that the rest of the European creditors, with the exception of Mr. Bruce, compromised their claims in 1795, by receiving the principal without interest, and that they received better terms than the native creditors; that a great portion of Colonel Frith's share in the principal of the bond was not for money advanced, but for arrears of salary of 5,000 rupees a month, to which Colonel Frith, though only a captain at the time, having been aide-de-camp to Warren Hastings in 1782, 1783, and 1784, was appointed just previously to the latter's leaving India (a salary which appears to have been exorbitant for a captain in the army); that Colonel Frith was not included in the list of creditors made out by the minister, Rajah Tuckaet Roy, and sent to Mr. Cherry, the Resident, in 1795; that no sufficient explanation is given why, if he considered that Azoff-ul-Dowlah was his debtor, Colonel Frith did not bring forward his claim when Azoff-ul-Dowlah was settling his debts in 1795, but waited until 1798, a year after his death (Azoff-ul-Dowlah having died in 1797); that this claim has not been brought forward in a manner calculated to afford much confidence, that any portion of the demand remains fairly due. As to the second item of the demand, viz., one year's allowance, 60,000 rupees, and

*See* Correspondence as above, page 7.

and interest thereon at 12 per cent.,* we do not think that the Government, in 1857, is called upon to pay salaries which became due to officers in 1785, either with interest at 12 per cent., or without interest, even if it were clear that the salaries were just and equitable. But still less ought such salaries to be paid, when the circumstances under which the appointments were made, lead to the conclusion, that the interests of the officer, rather than those of the State, were considered in the arrangement.

37. We find from Colonel Frith's own memorial that Mr. Macpherson, who succeeded Warren Hastings and Mr. Stubbs, disavowed any knowledge of Colonel Frith's appointment, and in doing so, refused their sanction to the Vizier's payment of the allowances annexed to it. We find, in the extract of proceedings of the Governor General in Council, in the Secret Department, 3d May 1785, the following entry: —

*See* Memorial, 19 October 1790, Cons. 20 October 1790, No. 41.

"Captain Frith, commanding four battalions of Sepoys, in lieu of all charges and contingencies whatever, 5,000 rupees per mensem." "The Board know nothing of Captain Frith's appointment, and cannot therefore authorise the allowance." Also the following extract of a letter, in the Secret Department, to the Honourable Court of Directors, dated 31st July 1785, par. 8:—"The Governor General's agent has been directed to acquaint the Vizier that the salaries paid to Captain Frith cannot be authorised." Surely, if after this letter, Captain Frith thought fit to continue in the employment of the Nawab Azoff-ul-Dowlah, and the latter chose to continue him there for another year, the salary cannot fairly be considered as a public debt, binding upon the revenues of his successors.

Cons. dated 19 October 1790, No. 11.

38. In 1790, a claim was brought forward by Major Darell for arrears of salary due to him from the Vizier, amounting to 98,000 rupees; the Government determined, "that as it came in every respect under the description of a private debt, it would be no less improper, with regard to the Vizier, than derogatory to the dignity of the Government,† to take any concern in soliciting the payment of it; and of this decision the Court approved."

39. The claim of Colonel Frith was considered by the Committee of Correspondence‡ to be similar in its nature to that of Major Darell. If the debt was a private debt, it cannot, we think, irrespective of other considerations, constitute a valid claim against the revenues of Oudh.

40. For the above reasons we recommend that Mr. Frith's claims be rejected altogether.

Captain Prendergast's claim.

41. This case having been referred to the Honourable Court in our Despatch, No. 107,§ dated 8th October 1856, and being still under consideration, we abstain from offering any opinion on the claims. We would, however, remark that the Dosses, or their representatives, do not appear to be the persons really interested in the debt. If Mr. Prendergast had not purchased the debt or had no personal interest in it, it appears to us to be a very remarkable fact that his widow and two sons, who were his representatives, should have been appointed agents for the Dosses in his place, as appears from the memorial.

Claim of the Rev. James Fendal, executor of Mrs. E. Grant, widow and executrix of Robert Grant, deceased.

42. The sum claimed is 90,265 sicca rupees, with interest at 12 per cent., on a bond given by Azoff-ul-Dowlah, dated 12th December 1783, and for salary due from the Nawab Vizier to Mr. Grant, as assistant to the Resident. The consideration of the bond is alleged to be a house sold to the Vizier, and money received by the Vizier on some tunkah given by the Nawab of Mozuffer Jung, a tributary chief of Oudh, for certain merchandise sold to him by Mr. Grant. It is stated that Azoff-ul-Dowlah received

*See* List of Documents, No. 8.

* *Note.* In the account sent in by Captain Frith, in 1790, he made no claim for interest on the arrears of salary said to have become due in July 1786, although he said, it was, in fact, equitably due.

† Correspondence as before, page 8. Report of the Committee of Correspondence, dated 31 May 1822.

‡ *See* also extract from letter from the Honourable Court of Directors, No. , dated 25 October 1820, Military Department, p. 86; also, extract of proceedings, Government of India, Foreign Department, dated 20 October 1790.

§ Abstract, Nos. 41, 42.

received the amount of the tunkahs on account of Mr. Grant, to obviate inconvenience, but never paid over the money to him. We would reject the claim altogether. We do not consider that the Government of 1859 is in any manner called upon to pay out of the revenues of the State a debt which was a mere private debt from Azoff-ul-Dowlah.

43. We presume this is the same Mr. Grant who is said to have been entitled to a share of the bond given to Colonel Frith. His name is not inserted in the list of creditors sent by the minister to Mr. Cherry in 1795.

44. It appears from the petition, that Mr. Grant, in 1783, entered the service of the East India Company, and was appointed assistant to the British Resident at Lucknow; that shortly after the transaction in question, he was removed by Government from Lucknow at 48 hours' notice; that he petitioned in vain to be allowed to return to Lucknow to arrange his affairs, but that no reply was vouchsafed. A list of documents is annexed to the memorial, but they are not sent. (*See* Mr. Jennings' letter.) We would reject the claim altogether. We scarcely think that the claimants can be serious in supposing that it will be paid.

Claim of the Dowager Lady Darell, as representative of Sir Henry Verelst Darell.

45. This claim is made by Lady Darell, as representing Major Darell.

46. The claim is for 98,000 sicca rupees, due on seven bonds, alleged to have been given by Azoff-ul-Dowlah to Major Darell, for arrears of pay as aide-de-camp to the Nawab Vizier from 1779 to 1783.

Major Darell was previously aide-de-camp to Sir Eyre Coote, Commander in Chief, but resigned that appointment upon obtaining the appointment of aide-de-camp to the vizier.

47. Six of the bonds, for 90,000 sicca rupees, bear interest at 12 per cent., the other does not bear interest. This debt, as shown above, has always been treated as a private debt. Major Darell's name was not in the list of creditors sent in to Mr. Cherry in 1795. We would reject the claim altogether.

We have, &c.
(signed) *Canning.*
*J. Outram.*
*H. Ricketts.*
*B. Peacock.*

# EAST INDIA (OUDH).

**COPY of LETTER from the Government of *India* to Lord *Stanley*, dated 17 May 1859, with reference to certain CLAIMS upon the late NATIVE GOVERNMENT of *Oudh*.**

(*Mr. Ayrton.*)

*Ordered*, by The House of Commons, *to be Printed*,
12 *August* 1859.

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*Under 2 oz.*

# EAST INDIA (RIVER FISHERIES).

RETURN to an Address of the Honourable The House of Commons, dated 24 June 1869;—*for*,

"COPY of any CORRESPONDENCE which has recently taken place between the Secretary of State for India and any of the Governments in *India* on the subject of the Preservation of the INDIAN RIVER FISHERIES; and of any Instructions that may have been given to the Commissioner appointed to inquire into the Measures necessary for that Purpose."

India Office,
5 July 1869.

W. T. THORNTON,
Secretary, Public Works Department.

(*Sir Stafford Northcote.*)

*Ordered, by* The House of Commons, *to be Printed*,
9 *July* 1869.

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COPY of CORRESPONDENCE which has recently taken place between the Secretary of State and the Governments of *India* on the subject of the Preservation of the INDIAN RIVER FISHERIES; and of INSTRUCTIONS given to the Officer appointed to inquire into the Measures necessary for that Purpose.

— No. 1. —

From the Government of Madras to the Secretary of State.

18 May 1869.

WITH reference to Despatches respecting the injurious effect of irrigation works on river fisheries, we have the honour to forward, for your Grace's information, the accompanying Reports from Dr. Day.

From the Secretary to the Government of India to the Secretary to the Government of Fort St. George; 16th July 1868.

1. REFERRING to your letter, dated the 21st October 1867, on the subject of the injury inflicted on fisheries by the present system of irrigation works, I am directed to forward to you copy of a communication* from the Public Works Department, and of the note by the Inspector General of Irrigation Works referred to in it.

* No. 121-I., dated 2nd July.

2. It appears from Nos. 596 to 600 of the Proceedings of the Madras Government in the Revenue Department, for the month of May last, that Dr. Day has been deputed to inspect the anicuts on the Godavery, Kistna, and Cauvery rivers, and, after local inquiries and observations, to submit a comprehensive report on the subject. His Excellency the Governor General in Council will be glad if the Madras Government can, without inconvenience, allow Dr. Day to visit the rivers on the Orissa coast also, and to include in his report the result of his inquiries and observations on those rivers.

3. His Excellency in Council also requests that, with the permission of the Madras Government, you will be good enough to instruct Dr. Day, while engaged in making his inquiries, to direct his attention to the practical aspect of the question, as suggested by Colonel Strachey in his note of the 23rd ultimo, as well as to its scientific bearings.

4. In conclusion, I am desired to request that it may be ascertained whether any wanton destruction of fish takes place in inland rivers, and whether any measures of protection are necessary in respect of those rivers.

MEMORANDUM from the Secretary to the Government of India, Public Works Department, to the Secretary to the Government of India, Home Department; dated 2nd July 1868, No. 121-I.

In reply to Memorandum No. 2493, dated 10th June 1868, forwarding, for an expression of opinion, copy of correspondence on the injury supposed to be doné to fisheries by dams on rivers for irrigation works, the undersigned has the honour to forward copy of a note by the Inspector General of Irrigation Works on the subject, and to state that the Government of India in this Department can form no opinion on the matter in the absence of the reports promised from Madras, or without such sustained observations and investigations as are recommended by Mr. Grote.

NOTE by the Inspector General of Irrigation Works, dated 23rd June 1868.

The question has been raised whether the dams, constructed across Indian rivers for irrigation works, have a practically injurious effect on the supply of fish in the rivers, or on the coast where the rivers end.

To answer such a question we must know several things on which it is admitted that no knowledge exists. These are—

What are the fish which constitute a practically important portion of the food of the people?

Of those fish, what are those which migrate for the purpose of depositing their spawn?

Among the migratory fish, what are those which live entirely in the fresh waters, and what are those which pass from the sea, or brackish waters, into the fresh river waters?

What are the precise habits of each of these classes of fish, as to their migrations, both in respect to their extent up the rivers, and the season at which they occur? And what is the season at which the young brood of fish is developed, and when do they descend the rivers.

With such knowledge, we should be in a position to form an opinion of some practical value on the question that has been put; in the absence of it, all that can be said is, that injury may be done as certainly has been the case in England. But whether there is any fishery at present in India, pressed to the extent that has happened in England in respect to salmon and oysters, may well be doubted.

The facts to which I have above referred are of unquestioned interest in a zoological point of view, and if there are any naturalists, having sufficient general knowledge and leisure to investigate the points referred to, they might usefully be invited to do so. But I confess not to see much that appears of practical importance in the matter, and to establish that there is any such practical importance in it, can, it seems to me, be only done by obtaining an answer to the first question I have put,—what fish form a really important part of the food of the people of India? And then to the following question:—Is there any reason to suppose that the price of such fish, compared to other food, has risen in any special way of late years? My present impression certainly is, that the last of these queries would be answered in the negative, and that, excepting on the sea itself or the estuaries, fish does not form an important element of the food of the people.

It is obvious that some of these considerations are specially within the scope of the Public Works Department, and leave no relation with our operations. When it is shown that any relief is needed, it can easily be given as on English rivers, and with this view the best form of "salmon ladder" may be obtained for our instruction.

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ORDER of Madras Government, 12th August 1868.

1. Resolved accordingly, that the papers above recorded be communicated to Dr. Day, and that he be instructed to visit the rivers on the Orissa coast during his present tour, and to include in his report the result of his inquiries and observations on these rivers in regard to the injury believed to be inflicted on fisheries by the irrigation works. His special attention will be drawn to paragraph 3 of Mr. Secretary Bayley's letter, dated 16th July 1868, No. 2999, and he will be good enough to extend his inquiries in this Presidency, also to the points therein specified.

2. With advertence to paragraph 4 of Mr. Bayley's letter, the Board of Revenue will be requested to ascertain from the Collectors of districts whether any wanton destruction of fish takes place in inland rivers, and whether any measures of protection are necessary.

(True extract.)

(signed) *R. A. Dalyell,*
Acting Secretary to Government.

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PROCEEDINGS of the Madras Government, Revenue Department, 23rd September 1868.

READ the following Letter from the Secretary to the Government of India to the Secretary to the Government of Madras, 9th September 1868:—

1. REFERRING to the 2nd paragraph of the letter from this Office, No. 2999, dated the 16th July last, I am directed to state that his Excellency the Governor General in Council will be glad if the Government of Madras can permit Dr. Day to extend his inquiries to the subject of the preservation of fish in those portions of the rivers where the fish supply is unaffected by communication with the sea.

2. It has been suggested to the Government of India that Dr. Day might, with advantage, circulate at once such questions as would enable him to obtain all requisite preliminary information beforehand, both as regards the coast and inland rivers, and commence work at once when the season permits him to prosecute his inquiries on the spot.

3. Should

3. Should the Government of Madras agree in the advisability of such a plan, orders will be issued to the Local Governments and Administrations concerned, to instruct the officers subordinate to them to supply, to the best of their ability, such information as Dr. Day may call for.

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(No. 65.)

From the Secretary to Government of Madras to the Secretary to the Government of India.

Sir, Home Department, 3 October 1868.

WITH reference to your letters, dated 16th July and 9th September 1868, Nos. 2999 and 3673, I am directed to forward the Proceedings of this Government marginally noted, from which it will be perceived that this Government have instructed Dr. Day to extend his inquiries in the manner desired by the Government of India in the letters above quoted.

G.O., 12th August 1868, Nos. 2151.
G.O., 23rd Sept. 1868, Nos. 2468.

I have, &c.
(signed) *R. A. Dalyell,*
Acting Secretary to Government.

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PROCEEDINGS of the Madras Government, Revenue Department, 4th February 1869.

From Surgeon *Francis Day*, F.L.S., and F.Z.S., on Special Duty, to the Secretary to Government, Fort Saint George.

1. I HAVE the honour to submit the following report upon the present condition of some of the fresh water fisheries existing to the south of Madras, which I have visited in accordance with the instructions contained in G. O., No. 1,468, of 27th May 1868. After making a thorough personal inspection at the Coleroon anicuts, I found it necessary to extend my inquiries to between them and the sea, for which purpose I marched up the coast from Combaconum to Madras, as, although the roads were not very good for travelling at this time of the year, I considered the result would amply repay all personal inconvenience. I deem it best to transmit this account of my inquiries in the south, distinct from my investigations in the north, leaving my propositions for remedial measures to be submitted in my final or comprehensive report.

2. My examinations commenced at the Cauvery river, which rises by several sources in the Western Ghauts, and after passing through the Mysore, Coimbatore, Salem, Trichinopoly, and Tanjore districts, in a course of about 500 miles, flows into the sea. At its various sources, and for some distance between these and its termination, it is principally replenished by the south-west or June monsoon, but as it reaches the Coimbatore and Salem districts, and from thence to the sea, it receives a large body of water from the October or north-east monsoon, and, consequently, from the beginning of June to the end of December, it is always more or less full, and subject to sudden and violent freshes or floods, which, though they rarely exceed 10 feet in height, have been known to rise as much as twelve feet. When the river, previously a sandy shallow bed, becomes thus filled, it assumes the character of a rapid and impetuous torrent, carrying down in its course sand, gravel, and mud. That portion nearest the source, where I commenced my investigations, was about 10 miles above and west of Trichinopoly, at the village of Wartellé Goodaloor, 100 miles from the sea. The river here is termed the Agunda (great or broad) Cauvery. It is about 4,400 feet wide, and becomes separated into two portions by the Island of Serungum, 17 miles long, and two broad in its widest part. The most southern and smaller branch of the river is 2,000 feet wide, and retains the name of Cauvery, whilst the largest is 2,400 feet wide, and termed the Coleroon.

Agunda, or broad Cauvery; how it is supplied with water; where my investigations commenced.

3. The Cauvery river runs a course of 100 miles, being distributed principally in the Tanjore district, where it gives off four large branches, and thus decreases to one-eleventh of its original size, as it only receives two small streams east of Serungum. When it reaches the sea, it has dwindled down to a width of only seven yards, whilst even during heavy freshes it is merely four feet in depth. It is probably owing to this deficiency of water that large sea fish, such as the oolum, or sable, *Clupea Palasah*, C. and V., which ascend rivers to breed, avoid the Cauvery.

Cauvery river, its distribution, and piscine inhabitants.

4. The Coleroon, from the head of the Island of Serungum, becomes the main channel, and continues its course direct to the sea. My examinations of it have been made at the upper anicut, the town of Trichinopoly, the lower anicut, and near Chellumbrum. The difference in the levels of these two great divisions of the Agunda Cauvery in high floods is thus given by Captain Oakes, in his report of 7th January 1868, where he observes that, "In a 12-foot flood, the difference of level between the water in the north branch above and below the anicut is only ·8 of a foot. In the south branch, the difference is only ·6 of a foot."

Coleroon river; difference in level from the Cauvery.

Reason for the construction of dams, anicuts, &c.

5. As the Coleroon, on its division from the Agunda Cauvery, received the largest volume of water, it was considered that the channel was thus kept clear; but the Cauvery, on the contrary, yearly silted up, and its bed, in consequence, gradually rose. To obviate this, and also to regulate the distribution of the water after it enters the province, as well as to correct, as far as possible, those changes which had occurred, or were likely to do so, in the bed of the river, a series of anicuts, dams, &c., were constructed.

Upper Coleroon anicut and Cauvery regulating dam.

6. The Upper Coleroon anicut was intended to raise the water in that river, near its commencement, about 6 feet in height, by means of a barrier or wall (which received the native name of anicutta, or anicut); from this a supply is diverted into the Cauvery, whilst some epenings lower down, in the Island of Serungum, between the two rivers, were partially or entirely closed, to prevent the water subsequently escaping from the higher (Cauvery) into the lower (Coleroon) river, excepting under certain conditions. As, after a few years' trial of this experiment, it appeared that the bed of the Cauvery was being washed out rather too deeply at its head, owing to the great rush caused by the diversion of the water from the Coleroon by means of the anicut, a regulating dam was thrown across the head of the Cauvery. This dam is, in fact, a flooring across the river, raised at either extremity in two steps, each 76 feet long, 2·4 feet above the low or centre portion. "The dam is 1,950 running feet, total waterway, with wings 14 feet high. The floor of the dam is on a level with the deep bed of the Cauvery, and below the average bed; it is covered with sand, on an average, 2·5 feet."—Captain *Meade.*

Upper Coleroon anicut.

7. The Upper Coleroon anicut was first erected in 1836, and finally completed in its present form, length, and height in 1843, when a cocoa-nut bridge was constructed across it to enable the shuttermen to work the sluices; three years subsequently, this fragile bridge was replaced by the present narrow and slight masonry one. This anicut crosses the river about 100 yards from its origin; it is 750 yards broad, and divided by a small island, 650 feet wide, into two portions. The height of the barrier to the passage of the water rises from five to seven feet above the bed of the river, and is protected in the rear by a substantial apron 38 feet broad, covered with cut stone set in chunam, and having 12 feet of rough stone posterior to the apron. The northern division consists of 12 arches, the two centre of which have under-sluices of three vents, eight feet wide in each; it has a waterway, according to Captain Meade, of 343 feet, not including the sluices, which are 48 feet, or a total waterway of 391 feet, whilst the dam rises to seven feet in height. The southern or largest division, which is nearest the Cauvery, has 50 arches, "on six feet piers, and five feet rise, but they vary in their span" (Meade), and seven sets of sluices, four of two vents, the other three of three vents, or 17 vents in all, eight of which are six feet, and nine seven feet in width; the centre of the dam is one foot lower than the rest of the anicut, and is termed the Tambogee, which, however, may be raised by planks to the same level as the remainder of the dam. The waterway without the sluices, is 1,627 feet, and the sluices themselves 111 feet, giving a total of 1,738 feet in all.

Uses of under-sluices and effects of them on the bed of the river.

8. It is necessary, in this inquiry, to remark upon the uses of these under-sluices, as regards their permitting or obstructing the passage of fish up the river, as it has been asserted that when unable to surmount the dam during the freshes, they can ascend through these passages. Colonel Sim observed in 1830, that the under-sluices instead of permitting the surplus water to escape over the anicut wall, leaving its sediment behind, would allow it to pass through the anicut on a level with the lowest bed of the channel by means of openings, through which the water being forced in high freshes with great velocity, draws with it large quantities of sand, and maintains the bed of the river at its proper level. It is thus evident that if they act as it was intended they should, and as they apparently do, that the deepest channels will be adjacent to these under-sluices, and these will therefore be the spots selected by the fish for their ascent, as they invariably try the highest point for this purpose, and the lowest for descent. They will not go through bye-channels or side passages; still their instinct appears sometimes to lead them to try a second channel when the first proves unsuited, as I shall subsequently advert to in paragraph 26.

Obstruction afforded by Upper Anicut to the ascent of fish, and the destruction which then takes place.

9. Prior to recording my personal observations respecting the amount of obstruction offered by these anicuts to the ascent of the fish, it will be as well to observe upon the question of whether the fish in the Coleroon river, above the lower anicut, have increased or decreased of late years. On this subject, there appeared to be but little difference of opinion amongst the fishermen, and the monegar in charge of the upper anicut agreed with them in stating that the decrease of late years has been very great, and that portions of the river, which a few years since were worth thousands of rupees, are now dear at 200 rupees. This statement, I must remark, must be taken as a mere assertion, which I have not the means of verifying, whilst I am still in doubt as to whether the monegar intended to express himself that these portions had been worth thousands for the purposes of rent, or to the fishermen who rented them, which I subsequently came to the conclusion during my investigations, have widely different significations in the fresh water fisheries of this Presidency. The monegar stated that not only the number, but the size of the fish have decreased, whilst the largest quantities are now captured during the north-east monsoon, in the September and October freshes, and the principal place for taking them is where they are detained at the anicut. Two men are partners in renting the right of fishing within 24 yards of the upper anicut, and one of them stated that they gave 200 rupees a year,

year, and kept 20 fishermen who captured everything they could, whether large or small, young or old; for as he observed, "we paid for this right, and all we can take is our own." The anicut here thus becomes a barrier, where the indiscriminate slaughter of fish is carried on; in fact, it is a barrier of death to them, for there mercy is unknown, whilst the amount of present spoils forms the only anxiety, and the destruction of the supply for future years is unheeded.

**The sable fish, its uses. Disappeared in the upper portion of Coleroon after erection of lower anicut; when the latter breached they again appeared.**

10. The most valuable fish which formerly frequented the Coleroon, ascending from the sea even higher than the upper anicut during the freshes for the purpose of depositing their eggs, was the oolum or sable fish, *Clupea* (*Alausa*) *Palasah*, C. and V. It appears to be undoubted that before the erection of the lower anicut these fish were very common in the upper portion of this river, but that subsequent to its completion they have never been captured above it, excepting when a breach in that structure has taken place, as in 1865, when they immediately became common, but since it has been repaired they have again disappeared. It will be a question for subsequent remarks whether the ascent only of these fish has been prevented, without causing any diminution of the supply in the whole extent of the river, or whether there is any perceptible decrease in the number of fish taken now, to those captured formerly. The amount of sable fish taken in the river near Trichinopoly, prior to 1836, is asserted by the fishermen to have been about two lacs (200,000) yearly, whilst in the "Madras Journal of Literature and Science" for 1849, it is stated that they were chiefly captured for their roe. I observe that this statement is disputed in some of the reports, but the fact is both disputants are right, as when these fish ascend from the sea they are always in full roe; thus they are eaten or salted in this state, though not actually on that account; the roes are also occasionally preserved for separate eating. At this period the fish is excellent as food, and in splendid condition for the table.

**Reason of sea fishes ascending rivers during freshes; and remarks on the breeding of fish.**

11. Sea fishes ascending rivers during floods almost invariably do so for the purpose of depositing their ova, and they will, therefore, be found full of roe. Fresh-water fish also breed at these periods, and appear to be constantly changing their locality, from their generally depositing their ova in the side channels, or smaller water courses. The reason for this would be too long for detail here, but it is undoubted that in India the sable fish ascend the rivers to breed as the salmon does in Europe. The eggs are deposited, not in deep but in shallow water; and for the purpose of reaching good breeding grounds, the fish attempt to pass any obstructions in the river. If the eggs are deposited in the shallows, near the mouth of the river during freshes, they will be left high and dry before they can be hatched, as the subsidence of these floods is almost as rapid as their rise, but this is not so much the case nearer the source of these rivers, and therefore they ascend until they reach good breeding beds, where the rise and fall of the water is less rapid. Of course very many of the eggs never hatch; in fact, as I shall subsequently show, I found that in a female sable fish upwards of one million eggs were contained; in a common species of barbel, *Barbus chrysopoma*, C. V., there were upwards of 410,000; in a carp, *Crossochilus reba*, H. B., above 41,000; and in a siluroid, *Callichrous checkra*, H. B., commonly known as the "butter fish," above 47,000; thus showing the large provision made by nature for such contingencies.

**Attempts of fish to pass anicuts.**

12. Fish, when heavy in roe, are not so well able to jump any great height as they are when young or barren. Standing on the bridge over the anicut when the freshes are coming down, it is most interesting to see the numbers of fish, both large and small, which are leaping up against the wall of the anicut; in the vain attempt to surmount this obstacle to their progress, some of them strike against the piers of the bridge, others fall into the cascade coming over the wall, but although I passed hours watching them, I never saw one of them clear the obstacle, though thousands attempted it. Whilst I was carefully observing them, I also found that when nets were employed for capturing them, that the fish, especially if large, were bruised and in parts scaleless; this I believe to be caused by their frantic and unavailing efforts to surmount the anicut wall, or to get up the under-sluices.

**Observation on fish trying to ascend over anicuts.**

13. During high freshes the river forms a foaming cascade over the anicut, falling on the stony bed of the apron, and I frequently perceived that the fish on reaching this cascade leaped upwards for the purpose of surmounting the obstruction, when the torrent took them and pitched them head downwards on to the stone apron. Sometimes, after they have ineffectually tried to ascend for some time, they become fatigued, and may be seen resting themselves close to the piers of the bridge, where they are protected from the direct force of the current. It is not uncommon to see them spring up against the piers, and, after striking themselves against the stone work, falling back again into the river. When very high freshes occur, so that the water above and below the anicut is nearly on a level, the fish *might* pass over the wall, as only a slight ripple points out where it exists, but these times are too rare to need much consideration. The under-sluices are more on a level with the bed of the river, and it has been supposed that fish pass up through them. It is not impossible that a large strong fish might thus ascend, but this must be the exception, not the rule, as a breeding fish, heavy with roe, could not possibly do so. Some few males or barren females might, however, accomplish it, if very strong, but they would hardly be sufficient to increase the population above.

**Effect of under-sluices on fish trying to ascend.**

14. When the water is low, these under-sluices are closed, and only opened when the freshes

freshes are coming down. Now it appears to me that the belief that the fish ascend the river through the sluices, has arisen from the fact that they may be caught in them, but that is only when the sluices are closed. It is true that a pretty good current is coming down between the boards which close the various vents, but it is not sufficiently strong to impede healthy fish from ascending as far as the boards, but then these very boards form an effectual bar to their onward progress. These sluices are, therefore, extensively netted. A purse-net is placed across the mouth of a vent, and all the fish inside are driven out and so captured in one haul. At one time, when the vents were shut, I saw 78 so captured, none of which were under three inches in length, whilst two of them were 10 inches. The very use of the sluices is to force the water down with such impetuosity that during high freshes, when they are open, no Indian fresh water fish could possibly ascend; the water shoots from them across the apron, and boils and bubbles even beyond it in white foam. My belief, formed from personal observations, that it is impossible for fish to stem such a torrent, was shared by all the fishermen, who did not hesitate to maintain the impossibility of such a thing. The torrent, above six feet in width, is like a mill race, coming down like water out of an engine, carrying down sand, stones, &c., in its course, which would of themselves be sufficient to injure any fish trying to ascend. It appears to me that the only thing which can possibly prevent the almost total annihilation of the fresh water fishes in the upper portion of the Agunda Cauvery, is that the Cauvery has only a regulating dam, built in 1845, below its surface, but no anicut above the water; the large structure on the Coleroon being almost, if not absolutely, impassable for fish.

State of the fish at the upper anicut after the river has subsided.

15. Such, then, is the state of the fishes at the upper anicut during the freshes, or spawning season, when they are fruitlessly trying to ascend the river; and as they continue near the barrier, hoping still to find some opening in it, it follows that when the river falls they are prevented from returning to the deep portions of the stream. At these times even the sluices are full of fish, whilst shoals may be seen on the apron, and many below it; as the water still further decreases, pools are formed below the anicut, to which the fish retire for food. Here they should be allowed to remain undisturbed, or only the larger ones should be captured for eating, but this is not the case. The fishing within 24 yards of the anicut has been let to a native, who asserts he gives 200 rupees a year for it, because he knows the poor animals must be detained. No question of future scarcity appears to have been thought of by either lessor or lessee, but simply the bare question of present gain. I now propose to show what effects may, and most probably will, result from this course.

Results when personally inspecting the fishing and condition of breeding fishes.

16. I engaged the services of four fishermen to go out fishing with me for one day, two hours in the morning and two in the evening. They agreed to bring their nets, but on arriving, instead of having cast, or even drag-nets, they had only a trumpery looking purse-net, like a cast-net, from which the ropes and leads had been removed. With this most unpromising looking implement, we proceeded on our fishing excursion. This was on 3rd July, as the river had previously been too high; we began at seven a.m., and continued for two hours; the fishermen chose their own localities, and selected the vents of the sluices, and the bases of the piers of the bridge. The following were the captures made, which I noted down at the time, 51, 48, 20, 78, 74, 15, 45, 20, 48, 10, or a total of 408, all of which I turned over the anicut wall into the water above. I must here remark that the water was not flowing over the anicut wall, so that by having the nets handed up to the top of the sluices there was no trouble in effecting this transference of the captures; but in the evening it was different, as I shall presently remark. The numbers taken did not visibly decrease the shoals. The fish captured were of several varieties, some of them of a large size, one pound in weight, none under two inches in length, and many of them heavy in roe. I examined one carp, *Crossochilus reba*, and found it contained 166 grains weight of eggs, and on counting out two grains of these, ascertained that they contained upwards of 250 mature eggs, which gives a total of 41,500 in one fish. In a barbel, *Bagrus chrysopoma*, I found 985 grains weight of eggs, and ascertained that every grain contained 417, or a total of 410,745 eggs. In a siluroid, *Calichrous checkra*, there were 184 grains weight of ova, or a total of 47,444 eggs. I mention these instances to show the injury done to the fisheries by this indiscriminate slaughter of the breeding fish detained by the anicut. If means of ascent had existed, these fish would have gone over the wall, and have deposited their ova in the shallows; of course, many of these eggs would never be vivified, but the large numbers deposited are doubtless intended as a provision of nature against the losses likely to be incurred, but not for the wholesale destruction carried on at the anicuts.

Fishing as the river began to rise. Reasons for not recommending capturing fish and transferring them from below to above the anicut wall.

17. The fish in the vents had reached the barrier in their vain attempts to ascend. Again and again, no doubt, they had gone up, and, as they tired, dropped down and rested at the piers of the bridge in comparatively calm water. Now, if it is difficult to stem the water in the sluices when closed, how much more difficult must it be to do so when they are open, to allow torrents of water to rush through them. The same afternoon a slight fresh of about six inches occurred, and the water passed over the anicut wall. This entirely altered the possibility of passing the fish in the net over the anicut wall into the space beyond. At 5 p.m. we again commenced fishing. As the amount of water passing down the vents was greater, the nets could not be held against them, so the water

water below the piers of the bridge only was tried. The fishermen can only fish the anicut twice a day, once in the morning and once in the evening, as the fish become frightened. They lie so close that the net is submerged within a foot of them, for the water at these periods is always muddy, and, therefore, they do not perceive the net. Owing to the fresh, the numbers of the fish trying to ascend seemed to have largely augmented, and from 50 to 60 were usually captured in each haul. I only went once along the anicut, but the number we took and turned alive over the wall into the stream above was 631, making a total of 1,119 transported during the day in only about three hours' fishing. Besides these, many others were suffocated in the net before I could take them out, probably about 200 so perished. Subsequently, the fishermen, being annoyed at my having put the fish above the wall, became suspicious and sulky, and I could not get them to work as they did the first day. This mode of transference was proposed by Mr. Stuart, acting head assistant collector of the Kistna district; but, irrespective of the numbers killed or injured, it appears to me improbable that the fish once taken below the anicut would ever be restored to their native element above that construction. Besides this, the very fact of capturing a fish commonly injures it to a greater or lesser extent; and, therefore, as I propose to show in my final report, a natural pass will probably be the simplest, the most efficacious, and eventually the cheapest method of preventing the present destruction.

**Modes of capturing fish; cast nets, drag, round, stake, purse nets; basket and rod fishing; night lines; and spearing fish.**

18. The following are the different modes of capturing fish which I saw employed in the Cauvery or in the rivers to the south of Madras:—

*Cast Nets* are most commonly used, their value being about 4 rupees each, and the period they last in accordance with the usage they receive and the trouble taken in repairing them. The natives appear to be adepts at employing them. The mesh is small; one which I measured was three-fourths of an inch in diameter, and the length of the net was 14 feet. Fishermen occasionally throw bran into the water; the fish congregate to eat this, and the net is thrown over them.

*Drag Nets.*—Both short and long ones are used. The mesh is small, but not so minute as in the cast nets; for, if it were so, unless very heavily weighted, when dragging it against the stream, it would be raised off the ground and the fish escape beneath it. Still, in several of them I found the diameter of the mesh to be only 1 inch, and these were principally employed for dragging down the stream. With these destructive implements everything that swims is taken, whilst nothing is ever returned. I should here remark that in English salmon rivers netting fords is illegal; it is also usually prohibited within 100 yards of weirs, whilst the size of the mesh is eight inches in circumference, which many good authorities denounce as being too small. In Europe, also, there are fence months, during which it is illegal to net; and breeding or foul fish may not be captured at any period, or, if they are taken, they must be returned into the water. The freshes in Indian rivers appear to afford the only fenced periods that the fishes ever obtain; and were it not that with most of the species these are the breeding seasons, it seems probable that, owing to the merciless modes of fishing pursued, the river fisheries would have been destroyed long ere this. I have heard it said that these fish are too small to be worth protecting, but I give a table showing the size to which they have been personally observed to obtain, or have been recorded by others.

*Round Nets.*—I have not seen these anywhere excepting in the Cauvery, and they appear more adapted for bush fishing, if I may so term it. They consist of two nets similar to cast nets, each attached to a bamboo which is bent and fixed in the form of a circle. They are pushed under bushes and into long grass at the sides of the rivers during freshes. The mesh is about three-fourths of an inch in circumference.

*Stake Nets.*—These are similar to the drag nets, but fixed to strong stakes across rivers or arms of rivers. Men stand at these stakes, whilst a single or double line of nets is dragged, or rather gently floated down the stream to meet the stake nets. This is the way in which the oolum or sable fish is captured.

*Purse Nets*, or a species of net of this description. In appearance these are most worthless contrivances, but in actual use exceedingly destructive. They are, in fact, cast nets, with the leads and ropes removed. The usual form is held by two men; and, to show how close the fish lie to the piers of the anicut bridge, the fishermen generally commence about 4 feet from them, taking whole shoals in this way. This net is also placed across the mouth of the vents, when the sluices are closed, and the fish are driven into it by a third man, who goes up there for that purpose. A fisherman stands on each side of the net, and employs one hand to hold the lower part close to the ground, whilst the other hand is used to keep it open. If the current is strong, the foot is made use of to keep the lower part on the bed of the river.

Small Purse Nets are used by one man, who keeps the upper part open with his mouth, and employs one hand on each side to keep it on the ground.

*Basket Fishing.*—A wide-mouthed open basket has a number of twigs of trees fitted into it. When the freshes are coming down freely, and the fishes jumping at the anicut wall, it is let over the bridge by means of a string, and the fish in leaping often fall into it, whilst the twigs prevent their jumping out again. This is at times found very destructive.

Basket fishing, as usually employed, is, however, very different; a long basket, with a narrow round upper end, and a wide round lower end, is employed; this the fishermen thrust down into the grass along the sides of the river, or into the mud, and remove the

fish through the top. At Cuddalore whole lines of men sometimes fish the back-water in this way.

Rod fishing is greatly pursued both from the shore and from boats, which are like the coracles employed at home.

Night lines are of a very destructive kind. The line is fixed to a tree, leaving a large portion of it ready to run out if required. Above the water is a stick cut like a fishing rod, and loosely thrust into the ground; the line is twisted round its extremity, and bobs into the water, thus keeping the bait moving about.

Spearing fish is employed at Cuddalore for the purpose of taking the Karona, Tam, or Cock-up of Bengal, *Lates calcarifer*. A piece of blue rag is trailed by a string at the end of a boat which moves slowly through the back-water. At its stern stands the spearman, holding his spear with the head towards the water. The head of this spear is made with a long centre barbed iron, whilst at its base are two pieces of cross iron, like the prongs of a pitchfork; these are turned up and barbed, so that it has five barbs at its extremity; to this a rope is fixed, whilst the handle is made of long male bamboo, or other heavy strong wood. The aim of the fishermen is said to be unerring.

Fishes of the Colecoon with their Tamil and scientific names; size to which they attain, and whether breeding or not.

19. Such being the methods of fishing, I now come to the fishes themselves, which are here named in accordance with the latest work on the subject, viz., Dr. Günther's "Catalogue of the Fishes of the British Museum." I must leave the scientific descriptions until time permits me to report upon them fully, which I propose doing, to the Zoological Society of London. Some are of considerable scientific interest, but these are not the species which are of most importance in an economic point of view.

| No. | Tamil Name. | Scientific Name. | Size attains. | If breeding. |
|---|---|---|---|---|
| 1 | Oolooway | Gobius giurus, *H. B.* | 18 in. in length | Yes. |
| 2 | Coondallum Oolooway | Eutenogobius striatus, *Day* | 6 „ | Yes. |
| 3 | Mussoorie | Eleotris fusca, *Bloch* | 5 „ | Yes. |
| 4 | Sennai or paunieyri | Anabas scandens, *Dald* | 7 „ | Yes. |
| 5 | Pauni | Polyacanthus cupanus, *C. V.* | 4 „ | — |
| 6 | Veraloo | Ophiocephalus striatus | 36 „ | — |
| 7 | Para korawa | ditto - punctatus, *Bloch* | 12 „ | Yes. |
| 8 | Munnee | ditto - gachua, *H. B.* | 12 „ | — |
| 9 | Vella ketchellee | Sciæna coitor, *H. B.* | 12 „ | Yes. |
| 10 | Cul or Mona arah | Rhynchobdella aculeata, *Bloch.* | 12 „ | Yes. |
| 11 | Shaatarah | Mastacemblus armatus, *Lacèp.* | 36 „ | — |
| 12 | Shellel | Etroplus maculatus, *C.* | 4 „ | — |
| 13 | Cumboo kellette | Macrones aor, *H. B.* | 18 „ | — |
| 14 | Cutta | ditto - cavasius, *H. B.* | 12 „ | Yes. |
| 15 | Tharlee | Saccobranchus singio | 18 „ | — |
| 16 | Chélahwahlah | Callichrous chekra | 18 „ | Yes. |
| 17 | Vahlah | Wallago attu | 40 „ | — |
| 18 | Nah kellette | Pseudeutropius Sykesü, *Jerdon.* | 4 „ | Yes. |
| 19 | Wallaké kellette (slippery Siluroid) Poonattee. | Silondia gangetica, *H. B.* | 48 „ | — |
| 20 | Coola kellette | Pangasius Buchanani, *C. V.* | 36 „ | Yes. |
| 21 | Assaree | Nemachilus armatus, *Day* | 2 „ | — |
| 22 | Ditto | ditto - notostigmatos, *Bleeker.* | 2 „ | — |
| 23 | Ven kendé | Cirrhina Leschenaulti, *C. V.* | 24 „ | Yes. |
| 24 | Shaal kendé | Labeo fimbriatus, *Bloch* | 24 „ | Yes. |
| 25 | Ditto | ditto - Leschenaulti, *C. V.* | 24 „ | Yes. |
| 26 | Ditto | ditto - kontius, *Jerdon* | 24 „ | Yes. |
| 27 | Pil aringan | Crossochilus reba, *H. B.* | 18 „ | Yes. |
| 28 | Coal aringan | Tylognathus ariza, *H. B.* | 12 „ | Yes. |
| 29 | Pungella | Barbus chrysopoma, *C.V.* | - | Yes. |
| 30 | Wennatté | ditto - ticto, *H. B.* | 3 „ | Yes. |
| 31 | Shellee | ditto - carnaticus, *Jerdon* | - | Yes. |
| 32 | Chevallé | ditto - filamentosus, *C. V.* | 6 „ | Yes. |
| 33 | Koroon | ditto - chola, *H. B.* | 6 „ | Yes. |
| 34 | Ditto | ditto - dorsalis, *Jerdon* | 8 „ | Yes. |
| 35 | Oollaree | Amblypharyngodon mellettina, *C. V.* | 4 „ | Yes. |
| 36 | Marritan kendé | Barilius bendelisis, *H. B.* | 4 „ | ? |
| 37 | Nooltoo, or Chelapurroovoo | Danio alburnus, *Heckel* | 3 „ | ? |
| 38 | Purroovoo kendé | Rasbora danicornis, *H. B.* | 4 „ | Yes. |
| 39 | Purroovoo | Nuria danrica, *H. B.* | 3 „ | ? |
| 40 | Ditto | Cachias atpar, *H. B.* | 3 „ | Yes. |
| 41 | Vellaché kendé | Chela clupeoides, *Bloch* | 6 „ | Yes. |
| 42 | Ditto | ditto flavipinnis, *Jerdon* | 6 „ | Yes. |
| 43 | Vellangoo | Murœna maculata, *H. B.* | 18 „ | ? |
| 44 | Oolum | Clupea palasah, *C. V.* | 8 „ | Yes. |

Besides

Besides these there are a few other small species which, however, are not of much consequence in an economic point of view. In many cases in which I did not find the fish breeding, it was no doubt due to having captured only a few specimens, and those mostly of immature size. But out of 46 species, 29 were found to be in full ova.

State of river at Trichinopoly.

20. At Trichinopoly, where there is a magnificent river, the fish supply in the market is inferior in quality, insignificant in quantity, and consequently but of little value, whilst they do not call for any particular notice from this portion of the river lying between the two anicuts.

Return of rents of fisheries in Trichinopoly collectorate.

21. The following is the return furnished me by the collector of Trichinopoly of the rents of the fisheries in his district:—

| | | *Rs.* | *a.* | *p.* |
|---|---|---|---|---|
| Year | 1860-61 | 598 | 6 | 6 |
| „ | 1861-62 | 658 | 11 | 11 |
| „ | 1862-63 | 637 | 1 | 11 |
| „ | 1863-64 | 676 | 7 | 5 |
| „ | 1864-65 | 687 | 7 | – |
| „ | 1865-66 | 693 | 13 | – |
| „ | 1866-67 | 1,252 | 15 | 7 |
| „ | 1867-68 | 872 | 6 | 7 |

Remarks on increase of rents after anicut below Trichinopoly was breached.

22. I exceedingly regret that the information was not more in detail, because a very remarkable fact is shown, viz., that the rents rose in the years after the lower anicut was breached, and no less than 559 rupees. Although I do assert it to be the case, it appears probable that this increase was due to the sable fish again being found in the Coleroon. The rents, it is seen, again stopped as soon as the breach was repaired. I question whether, if my idea be correct, fish-ladders, permitting the sable fish to ascend the Coleroon, would not be a pecuniary gain to Government, as well as to the food-productiveness of the river. Time did not permit my writing for further details

Tanjore, and return of rent of fisheries.

23. At Tanjore I found, as might be expected, the same state of affairs in the Coleroon and Cauvery, and complaints of deficiency of fish were no less common, and appeared to be well-founded. The following is the total of the returns of the Tahsildar as the yearly rent of the fisheries in his talook:—

| | | *Rs.* | *a.* | *p.* |
|---|---|---|---|---|
| Year | 1858-59 | 3,180 | 6 | – |
| „ | 1859-60 | 3,742 | 12 | – |
| „ | 1860-61 | 3,355 | 4 | – |
| „ | 1861-62 | 3,918 | 8 | – |
| „ | 1862-63 | 4,609 | 14 | – |
| „ | 1863-64 | 6,003 | 12 | – |
| „ | 1864-65 | 6,058 | 12 | – |
| „ | 1865-66 | 5,407 | – | – |
| „ | 1866-67 | 4,431 | 4 | – |
| „ | 1867-68 | 3,411 | 5 | – |

In this total the summit of the revenue was in 1864–65, the year prior to the breach in the anicut, but I have not had time to ascertain why the rents still continue decreasing; but the deficiency appears to be, according to the return, mostly in the Agunda, or main Cauvery, the Cuddalore or Pennur river, and the Tanjore rivers.

Combaconum, with return of rent for the fisheries.

24. The tahsildar reports that the fresh-water fisheries of Combaconum are let in four divisions, and produced the following sums during the last eight years, the only ones which he could furnish, but probably sufficient for the purpose:—

| Years. | Combaconum, no anicuts. | Parpanassum, no anicuts. | Marganum, two anicuts. | Lower anicut. | Total. |
|---|---|---|---|---|---|
| | *Rs.* | *Rs.* | *Rs.* | *Rs.* | *Rs.* |
| 1860-61 - | 1,408 | 345 | 920 | 902 | 3,575 |
| 1861-62 - - | 1,749 | 705 | 814 | 880 | 4,148 |
| 1862-63 - - | 1,360 | 525 | 1,000 | 880 | 3,765 |
| 1863-64 - - | 1,100 | 350 | 1,000 | 880 | 3,330 |
| 1864-65 - - | 1,010 | 500 | 1,000 | 880 | 3,390 |
| 1865-66 - - | 1,030 | 375 | 1,000 | 880 | 3,285 |
| 1866-67 - - | 1,030 | 310 | 1,000 | 1,450 | 3,790 |
| 1867-68 - - | 1,030 | 415 | 1,150 | 1,450 | 4,045 |



25. The

Mode of letting the fisheries.

25. The mode in which the fisheries are let appears to vary, being either yearly or for a certain term. The notice of the letting appears merely to be advertised at the spot where the sale is to take place and in the Talook Cutcherry, but not in the "District Gazette;" in fact, to the south of Madras I have never found that the fisheries are advertised for sale in the "Gazette."

Lower anicut fishery, and effect of its construction on the capture of the sable fish.

26. The fishery at the lower anicut appears to have been rented by Mahomedans until the auction of 1861–62, when it passed into the hands of Hindoos, the chief of the fishermen and bearer caste having outbidden his Mussulman opponent. The contractor states that the number of oolum fish captured has greatly increased since the anicut was built, or rather they take more below that structure owing to its existence, and that if it were not present he would not give above 200 rupees yearly as rent; that when the breach occurred in 1865 his fishery was nearly destroyed, as the sable fish ascended by the breach, but that since this has been repaired the fishery has greatly improved. This doubtless is due to the increase in the number of fish from their having been permitted to ascend and breed, and it also shows that one fish-pass would suffice, although no doubt one in each branch would be better.

Contractor asserts fish can go over anicut wall, but objects to the erection of any pass to assist them, asserting it will destroy his fishery.

27. The contractor asserted that in high freshes, when the water passes over the anicut in such quantities that the river above and below it is nearly level, the sable fish can pass over the dam; but on being questioned how it was, if this were the case, that none are now ever caught above that obstruction, he observed that it was owing to the freshes being rarely sufficiently high. Pushing the subject, and inquiring if he would object, as tenant, to a pass in the anicut, or any means being taken which would enable these fish to ascend; he maintained that if any fish-ladders were placed in the anicut, the fishing would not be worth retaining at its present rent. The foregoing statements must of course be looked upon with caution, and with some mistrust; but it seems that there can be no question but that no oolum fish ever surmount the lower anicut. This is fully borne out by local investigations above Trichinopoly, at that station, at Tanjore, and Combaconum, and by the admission of the contractor of the lower anicut fishery, whilst the statement that fish pass over the anicut dam in high freshes can be hardly credited, although some few may possibly pass over, but they must be very strong and excellent jumpers. The contractor attempted to prove to me that young sable fish could be found at Combaconum, above the anicut. We accordingly sent fishermen out to capture some. About 5,000 small fish were brought in, and I went very carefully through the whole of them, and can positively assert that there was no single specimen of the sable amongst them.

Habits of sable fish, with remarks upon its breeding.

28. If the rivers are merely stocked by the young fry raised in those rivers themselves, it seems that, unless something is done, there is a probability of the total destruction of the sable, and some other fishes from the Coleroon. For there can be but little doubt that the river during freshes, when these fish come up it to deposit their ova, contains too much water below the anicut, and thus, should the ova be left in the shallows, they will become high and dry as the freshes subside, which would unquestionably occur before the eggs could become vivified. Therefore it is probable that none were hatched below the anicut. Three years since, owing to the breach, it is probable that many got over this obstruction into the river, and there deposited their ova; these may be now temporarily keeping up the stock, but it is to be hoped that such breaches will be the exception, and that other means may be adopted to allow them to ascend the river. Now, the destruction of the fish may be deemed theoretical, and that those bred in other rivers may be sufficient for the Coleroon, but this total annihilation has been repeatedly observed in salmon rivers in many parts of Europe, which are now being re-stocked at a great expense; whilst the sable fish, from depositing its ova in fresh water, has in this respect some analogy to the salmonoid instincts. The fry are hatched in the fresh water, and proceed to the sea, from whence they only return during the spawning months. If these fish are destroyed from Indian rivers, I do not assert that they cannot be re-introduced from other localities, but the expense will certainly be enormous. The eggs are so small, and so few persons in India, if any, are competent to obtain them, whilst very few have ever seen ova carried in ice, that I do not believe Government could succeed in an attempt of this kind unless they brought men out from Europe to do it. Neither is the carriage of live fish so easy as some persons appear to think, as they die in an almost incomprehensible manner to those who have newly undertaken their conveyance. On these grounds I would point out the urgent necessity of preventing the destruction of species, which must sooner or later take place if the present system is persisted in.

Number of sable fish captured in the Coleroon, and the contractor's statement that accounts have not been kept.

29. There was considerable difficulty in obtaining any information respecting the yearly captures of sable fish; and the following was nearly all which could be elicited from the contractor, much of which had been obtained from him by the tahsildar in 1867. First, the contractor, who rents the right of fishing the Coleroon within two miles of the anicut, personally declared that no accounts existed of the numbers of sable captured at the lower anicut or sent into Combaconum from thence. The correctness of this statement appears improbable, because the proceeds of the fishery are divided into three portions, one of which goes to the men, from 50 to 60 in number, who effect their capture, and who find most of the nets employed, the other two-thirds go to the contractor; but as all the fish taken (excepting a few sold at the nets) are sent into Combaconum for sale, after which the division is effected, some accounts must have been made out daily, and it seems improbable that such would have been destroyed; because

because should any doubt exist in the contractor's mind as to the results of his fishing, such figures would have been retained for future reference, when the period for the auction again arrived.

30. It appears that the fish contractor is the manager, and apparently the owner, directly or indirectly, of the small ammon covil pagoda in Combaconum, and that he is the tenant of three several fisheries, and that the fishermen near Combaconum resort to this pagoda, sleeping there at night time, eating, and indulging freely in arrack, &c., thus dissipating their earnings, whilst they are so entirely under the contractor that very *little* information can be obtained from them.

Fish contractor the owner of a pagoda where the fishermen live.

31. The tahsildar gave me the following as the figures of the report he presented to the Collector in 1867, respecting the profits and losses of the lower anicut fishery for six years. The statement appears to have been given by the contractor:—

Tahsildar's report made in 1867 from the statements of the fish contractor.

| —— | Receipts. | Profit. | Loss. |
|---|---|---|---|
| | *Rs. a. p.* | *Rs. a. p.* | *Rs. a. p.* |
| 1861 - - | 1,476 12 – | 104 8 – | — |
| 1862 - - | 1,011 – – | - - - | 206 – – |
| 1863 - - | 2,401 8 – | 721 – – | — |
| 1864 - - | 805 6 – | - - - | 343 2 – |
| 1865 - - | 200 – – | - - - | 747 – – |
| 1866 - - | 2,618 – – | 296 5 – | — |
| | *Rs.* | 1,121 13 – | 1,296 2 – |

32. The foregoing statement purports to show that, after deducting the Government rent of 1,450 rupees, and one-third of the fish, there remained a total loss of *Rs.* 174. 5., or an average yearly deficit of above 20 rupees, yet he wishes to continue as tenant. This he accounted for in the following manner, that whenever there is a loss in the fishery the pagoda jewels are pawned, and the rent liquidated, and that when a surplus exists, these jewels are redeemed and new ones made.

Statement of contractor that fishery is a loss to him, and to pay the rent he has to pawn the pagoda jewels.

33. The contractor at one time, his head man at another, and others interested in the fishery, all gave the same account, that they averaged one lac of sable fish yearly, but this estimate is considered far too low by residents near the anicut; but admitting its correctness for argument sake, I think it will be very easy to throw discredit on the statement furnished in 1867. The value of the sable fish in Combaconum is from 1 anna to 1 anna 6 pies, 2 annas 6 pies, or even more; but taking the average at 1 anna 6 pies, which is below what it really is, because more large fish than small are taken, we obtain the following figures; for I should observe that the demand is greater than the supply, however large that may be: we have the receipts for one lac of fish, 9,375 rupees; from this we deduct one-third for the fishermen, viz., 3,125 rupees, and the Government rent of 1,450 rupees, estimating the cost of carriage at 4 annas per 100, we must arrive at the conclusion that the contractor's receipts are 9,375 rupees, and his total expenditure 4,825 rupees, leaving 4,550 rupees as profit. This estimate is as I observed, admitting that only one lac is taken, which I now propose to show is below the mark.

Reasons for doubting the correctness of the contractor's memory.

34. I must, however, slightly digress respecting the cost of carriage, as this is a very material point of the inquiry. I estimate it as follows:—I was told, and I also personally saw, that one man usually carries 50 fish, 25 being strung on each end of a bamboo which he carries over his shoulder, like a cavady cooly. As the fishermen, who were, and some of them still are bearers, carry the fish at least half way from the anicut, money is not spent on that portion of the road. Cooly hire from the anicut into Combaconum is 4 annas, and a cooly is only required for half the distance, or 2 annas; but it is very improbable that it really costs so much, especially as natives are not charged like Europeans. It is admitted that the average number of persons employed in carrying fish from the anicut in June and July is 40 men. Now, 40 men, each taking 50 fish, shows the following: $40 \times 50 = 2{,}000 \times 61$ days $= 122{,}000$ fish during these two months only. Occasionally, when very large captures have been made, as many as 200 coolies have been employed; but it is said that, as they cannot carry the fish on bamboos, these extra hands only take from 15 to 16 each; but even this would give 3,000 in one day. During the succeeding four months these fish are still taken, but in smaller quantities, and the common sorts are also captured, none of which have been computed in the fore-

Cost of carriage of fish into Combaconum.

going estimate. The fish are sold in the same state as captured; a few hours afterwards they appear to be salted for local consumption. The roes are also occasionally dried, or salted, for separate use.

Fishermen improvident; effect of remissions to increase number of days when no work is done.

35. The contractor and fishermen are said not to be well off; but it appears to be impossible to ascertain the value of the pagoda receipts. In my recent inquiries, it has seemed to me questionable whether fishermen, as a class, are not the most improvident, working only for a few days to obtain money, which they dissipate in liquor. The more they obtain the less work they appear to do. Remissions of rent seem to be of little real value, simply enabling the people to be drunk one or two days more frequently than before, according to the amount of the remission. I think the foregoing shows the great value of this fishery in an economic point of view. The tahsildar does not appear to think that other Hindus will bid against the present pagoda people, and as they are the only good fishermen in the district, it is likely to remain in their hands. Tradition asserts that this race of men were originally brought by some Hindu rajah as bearers from Conjeveram.

Proviso in agreements to turn one in ten fish back into the river; this is not attended to.

36. On instituting inquiries it appeared, according to the tahsildar, that in the agreement signed by every contractor is a proviso that one fish in every 10 is to be released and turned to the west, evidently to perpetuate the breed. This clause appears to have existed from very ancient times, but is now quite a dead letter. It looks as if at some former period the fishes of the Cauvery and Coleroon had been in danger of being destroyed, and preventive means adopted.

The lower anicut.

37. The lower anicut, 1836, 15½ miles from Combaconum, crosses the Coleroon from a south south-east to a north north-west direction; it is separated into two portions by a large island. The southern branch, 1,230 feet wide, consists of 30 arches of 34 feet span, and four sluices. The dam differs from that of the upper anicut, in being made in two steps. The apron is 24 feet by 24 feet of stones. The northern branch is also 1,230 feet wide, whilst the intermediate island is 520 yards in width; its lowest step is 5 feet, its highest 3·3, or a total of 8·3, each step, being 4 feet wide, gives a total of 8 feet. The main road crosses this anicut, and, though the construction of the whole differs from that of the upper anicut, it is not sufficient to call for a more detailed description, as its bearings on the ascent and descent of fish must be the same, differing only in its greater height and width.

Fish cannot pass over the anicut wall.

38. I arrived the day a fresh was coming down; it continued through the night until 2 feet 3 inches of water was going over the wall, then it began to subside; but I saw sufficient to be certain that no fish of any description could go over the wall, and, on questioning the English writer and the monegar, they were of the same opinion, asserting positively that no fish ever did get over; but the head fishermen did not agree in this, and maintained that in very high freshes, when the river on both sides of the anicut is nearly level, there only being a slight ripple to mark the existence of the wall, fish went over; but this state of things had not occurred, they admitted, for the last 18 months, and no one could be found who would assert that he had ever actually seen a fish ascend over the wall, or go through the sluices. During my stay at the anicut several freshes came down, and although I saw the fish leaping up against the wall, I never saw one of them go over it, or even reach the summit.

Account of mode of fishing for sable fish, which is only carried on once a day. Female fish the more numerous.

39. The first day that the water was sufficiently low, I went down to inspect the fishing at the stakes. On reaching the north branch of the Coleroon at 10 a.m., I found the water still deep, and the fish jumping against the anicut wall and falling down again on the lower step, from whence they were washed back into the river. About 400 yards down the stream was a row of stakes at right angles to the shore, extending half across the bed of the river. The head man suddenly shouted, and waved a cloth, and in an instant the quiet scene was endued with life. Two men rushed into the centre from the south side, and waded or swam off to the sand-bank existing in the centre of the river; whilst on the north side, from amongst the grass, and from under the trees, about 50 men came forth with nets, and, simultaneously, about 20 more manned the fishing stakes. The men with nets commenced about 100 yards below the anicut, forming a line across the northern half of the stream. Each net was about 30 yards long, and as it was unfolded was attached to the next. A second row of nets followed the first at an oblique angle. As the river widened more nets were attached, until at last the stakes were reached. The fish which were trying to ascend were taken by the upper net, and those which were frightened and rushed downwards were caught by the stake nets. None attempted to jump over, as they appeared to be too heavy in roe. When the two sets of nets had met, the removal of the fish commenced. Men with green rattans threaded them as they were taken out, and 113 oolum and one wahlah was the result of this one haul. The circumference of the mesh was 4 inches, floated above by hollow reeds, and weighted below by leads; but these last are not sufficient to prevent the nets being carried gently downwards by the river. These nets are the property of the fishermen who, as I have observed, receive one-third of the spoil as their share. The first day the males of the sable were in the proportion of one to every 10 females. These fisheries are only drawn once daily, and other fishing is prohibited for fear of scaring away the sable. It is only when these fish are not present that other species are captured.

40. The

40. The females are the largest, and were of full roe; in one of moderate size I found 2187·5 grains of ova, and on counting those contained in one grain, and, calculating from this number, it appeared that there were 1,023,645. These eggs were sufficiently ripe to be deposited, whilst the melt in the males was in the same forward condition. No fish were taken below 12 inches in length, and all of them were breeding. As the proportion of males was only one to 10 females, the number of the last taken was about 102, which would give the destruction of ova in round numbers at 104½ millions. On my suggesting their trying the nets above the anicuts, the fishermen declined, stating that it was of no use, as there were no fish there, rather a damaging statement as regards the effect of that construction on the ascent of the fish.

Remarks on breeding sable fish, and how none exist in the river above the lower anicut.

41. But it is not only the sable fish which is thus prevented from depositing its eggs in the river, as I found the *sciæna coitor*, H. B., there, taken full of ripe ova below the anicut; it is never found above it. I observe that Hamilton Buchanan remarks, that in the Ganges they ascend as far as Agra. Therefore, as these specimens were just ready to breed, and were evidently trying fruitlessly to pass the anicut for that purpose, I conclude that they frequently, if not usually, deposit their ova in fresh water. This, then, is another species good for food, and extensively eaten by the natives, whose destruction will probably follow in the Coleroon, from the anicuts barring their upward progress.

A sciæna prevente breeding the same as the sable fish.

42. *Mugilidæ*, Mullets.—Some of these species ascend the fresh water to breed, as is well known, and are captured in numbers at the anicut, full of ripe ova, but are absent above that barrier. This is a very curious circumstance, from the fact that mullets exist in the backwater at Madras, and in brackish ponds, for years without going to the sea, and without apparently suffering from not doing so, although it is probable that they do not breed; but, from their not being found above the anicut, it appears that if they are kept entirely in fresh water they die, and the genus disappears from the locality. Three years since they must have ascended in quantities when the breach of the anicut took place; now old and young have entirely disappeared above the lower anicut.

Remarks on the breeding of the mullets.

43. *Myaveram*.—My inquiries here only extended to that portion of the talook which the Myaveram contractor rents, time not permitting me to enter into the Tranquebar division. The contractor asserts that sable and large sea fish do not now, and never did, ascend the Cauvery, owing to the small size of its mouth; therefore, their great supply of fish for food is derived from those species which are exclusively fresh water, and mostly come down the river with the freshes, but of late years these have much decreased, and the value of the fisheries have, consequently, dwindled down. The Myaveram district is about 26 by 12 miles in extent, and this is rented by one man, excepting Tranquebar. The following are the sums he has paid:—

Myaveram. Return of the rents for the fisheries, and how the fish are decreasing.

| | *Rs.* | *a.* | *p.* |
|---|---|---|---|
| 1862-63 | 1,435 | – | – |
| 1863-64 | 800 | – | – |
| 1864-65 | 1,026 | – | – |
| 1865-66 | 1,000 | – | – |
| 1866-67 | 962 | – | – |
| 1867-68 | 765 | – | – |
| 1868-69 | 865 | – | – |

44. This great decrease in the rent is remarkable; but, of course, in my hurried visit, I had not time to institute very detailed inquiries, whilst the contractor had evidently much to conceal, and it was with the greatest difficulty any information could be obtained from him. He admitted that he sub-lets some portion, for which he obtains 200 rupees a year; also that, after paying every expense, including his living, he cleared 60 rupees last year. He is said to be poor; he employs 20 fishermen, who have one-third of the captures as their share. The tahsildar informed me that, 15 years since, the rent of the fishing was collected with that of the land, and the mirasdars of the villages paid it; but, 10 years ago, the village tanks were made over to the village authorities. It would be interesting to ascertain whether this course has decreased the supply of fish. Last year only two men bid for the fishing, which appears to have been in the same family for a long period. The tahsildar said that once whence the fishing did not let, it was fished for Government, and he obtained the same amount as if it had been put up to auction. There were complaints that the people were of so high a caste that only 11 families bought fish, and that, therefore, it was obliged to be sold very cheaply; but this was the only place in which a difficulty of sale was even mentioned. It was also stated that in Tranquebar fish were employed for manuring vines, but I could obtain no information as to whether this affected the price.

Portion of Myaveram fisheries sub-let.

45. The Tranquebar fishing lets as follows:—

Tranquebar fishery.

| | *Rs.* | *a.* | *p.* |
|---|---|---|---|
| 1865-66 | 114 | – | – |
| 1866-67 | 114 | – | – |
| 1867-68 | 114 | – | – |

Sheally fish do not appear to be decreasing.

46. At Sheally the river fisheries are not so valuable as at Myaveram, and at Oolum do not ascend the river for the same reason, viz., that the water at the mouth is too shallow to admit of their doing so. There are complaints as to the decrease of fish, both as to size and number; but this is accounted for by the fact that nets with a very small mesh are employed. A few sea fish ascend, and I obtained some equula, &c. The fact of the decrease was hardly borne out by the receipts for rents. The fisheries are let yearly; for the whole of the 45 places only six or seven persons bid, although 15 or 16 others are generally present. There are no tanks let out for fishing.

Rents received, and reason why they have decreased.

47. Statement of fisheries in the Perar river:—

| Years. | Pelicha Caudoo Porawakal. | Thetty Oppanah. | Thenoor Palava. | Coravaloor Mannyody. | Total. |
|---|---|---|---|---|---|
| | *Rs. a. p.* | *Rs. a. p.* | *Rs. a. p.* | *Rs. a. p.* | *Rs. a. p.* |
| For 1862-63 | 7 - - | 152 - - | 73 - - | 63 - - | 295 - - |
| „ 1863-64 | 8 2 - | 140 - - | 74 - - | 136 - - | 358 2 - |
| „ 1864-65 | 8 2 - | 131 - - | 64 - - | 110 - - | 313 4 - |
| „ 1865-66 | 8 4 - | 141 - - | 68 - - | 75 - - | 292 4 - |
| „ 1866-67 | 14 - - | 152 - - | 50 - - | 130 - - | 346 4 - |
| „ 1867-68 | 14 - - | 152 - - | 53 - - | 130 - - | 349 8 - |
| „ 1868-69 | 14 8 - | 153 - - | 43 - - | 130 - - | 340 10 - |

At Thenoor Palava, the tahsildar observes that the value has decreased, owing to the exceedingly necessary order which has been issued, not to net the fish close to the sluices, or rather not to fish near the masonry work of the anicut. This shows most conclusively the destruction which must have been going on there.

Chellumbrum, a sable fishery in the Coleroon, value estimated too highly by the fishermen

48. Near Chellumbrum, on the north branch of the Coleroon, a few miles from the town of Chellumbrum, there is an Oolum fishery, where, according to the fishermen, from four to six lacs of fish are yearly captured, in the same manner and at the same time as described at the lower anicut. During the Oolum months other fish are not taken for fear of frightening the sable, but during the rest of the year the smallest fry are captured; in fact, the natives consider that the smaller the fish used for their curry the sweeter it is. Several fishermen were examined, and they all agreed that they get from four to eight annas worth of fish a day during the Oolum fishery, their pay being half the fish captured, the value as given at Combaconum; that 100 fishermen are constantly so employed, and when the fish are very numerous 100 villagers are allowed to help on much the same terms. Here I did not personally see the contractor, and the fishermen had no object to gain by reporting the captures as below the average, and I question whether they did not even place them at too high a figure. For a few days at a time, if 200 men obtain eight annas each, that would be 100 rupees for them and 100 rupees for the contractor, or a total of 200 rupees. Compute the fish at $1\frac{1}{2}$ annas each, we obtain nearly 2,500 fish in one day; but I do not believe this could be done. Ten days in the season would give 25,000, and if we take the other 51 days in June and July at one-third, we obtain 833 fish daily $\times$ 51 = 42,483 $\times$ 2,466 = 44,949. Now, this must be three-fourths of the amount captured, so add one-third or 14,983 = 69,932 fish, or less than a lac yearly. This is, of course, exclusive of the common fish, and as never less than two annas daily are obtained, we have the value of the fishery as follows: six months at two annas, or 200 annas daily = rupees 2,281 + 3,278 = 5,559, deduct 892 rupees, and we have 4,667 rupees as profits.

Sable fishery commenced after erection of the lower anicut; when the breach occurred the number of fish taken greatly decreased, whereas it is larger now than they ever recollect it to have been.

49. One old man recollected the fishing perfectly for 40 years, and can well remember that after the anicut was built the oolum fishery commenced; whilst the year before last, when a breach occurred, they did not take one-half of the usual amount. Last year was good, but this is the best he recollects; and in this portion of his statement the younger men coincided. Probably, in consequence of the break, more fish deposited their ova above, and a greater number was consequently the result. When very large captures are made, the roes and the fish are salted, and the Lubbays appear to trade in them. These fish are so much esteemed by natives generally, that there is a proverb in these parts, "So long as you have funds purchase a sable fish, being the most healthy and sweetest to the palate."

Rents received for the fisheries near Chellumbrum.

50. The fisheries are let as in the Tanjore district, mostly yearly. It appears that the contractor of the Veeranam tank petitioned respecting the losses he incurred last year, and

and therefore, as a compensation, he is allowed to have the tank this year without paying any rent. I regret that time did not permit me to inspect it personally. It has been let as follows:—

| | *Rs.* | *a.* | *p.* |
|---|---|---|---|
| 1862–63 | 121 | – | – |
| 1863–64 | 183 | – | – |
| 1864 65 | | — | |
| 1865–66 | 103 | 8 | – |
| 1866–67 | 201 | – | – |
| 1867–68 | 368 | 2 | – |
| 1868–69 | | — | |

*Chellumbrum.*—The following are the total amounts received or bid for the fisheries in this talook:—

| | *Rs.* | *a.* | *p.* |
|---|---|---|---|
| 1862–63 | 543 | – | – |
| 1863–64 | 608 | 8 | – |
| 1864–65 | 1,156 | – | – |
| 1865–66 | 1,004 | 12 | – |
| 1866–67 | 1,533 | 13 | – |
| 1867–68 | 1,357 | 2 | – |
| 1868–69 | 964 | – | – |

51. Cuddalore remissions have of late been allowed on account of the great deficiency of rain during the last two years. There are 85 tanks in the Cuddalore district which are separately rented, and the rents appear to be steadily decreasing. This must be due either to remissions or to deficiency of fish. Now if due to remissions, I conclude it must be allowed that fish are decreasing, or else that Government is giving up that source of revenue. The price of food is increasing, so the fisheries also ought to be more valuable. If every one is permitted to indiscriminately fish village tanks without paying rent, on the philanthropic principle that it is hard on the people to make them pay, and thereby throw impediments on their obtaining food, I must observe that this course is quite opposed to true philanthropic economy; because it increases the numbers of those who catch fish, and though the supply is temporarily augmented, it is permanently decreased or even destroyed. Indiscriminate slaughter, by every possible method, appears to me most wasteful, for although no one would object to the use of rods and lines, this constant netting with small meshed nets, and letting off the water of tanks for the purpose of destroying its piscine inhabitants, should certainly be prohibited. This last procedure is said to be employed in some places, occasionally; it may be objected that the water is too valuable to be thus wasted, and I should have thought so myself, and could not have believed that any sane person would adopt such a suicidal policy; still I am assured by those who have been present that this is sometimes done, and if so, it must certainly be efficacious in destroying the fish. The following is a summary of the returns given me by the tahsildar:—

Cuddalore. Rents for fisheries steadily decreasing. Remarks on not letting fishing.

| | *Rs.* | *a.* | *p.* |
|---|---|---|---|
| 1861–62 | 337 | 1 | – |
| 1862–63 | 337 | 1 | – |
| 1863–64 | 337 | 1 | – |
| 1864–65 | 282 | 6 | – |
| 1865–66 | 161 | 9 | – |
| 1866–67 | 335 | 5 | – |
| 1867–68 | 258 | 12 | – |

52. *Tindavanum.*—The tahsildar does not appear well acquainted with the fishes, and the tanks are some distance away, those in the vicinity being either dried up or destitute of fish. Fishermen were sent to try and procure specimens, but those they brought were mostly koravas.

TindavanumTalook. For seven years no alteration in the rents, and no remissions, as observed existing in neighbouring talook, on the ground of insufficiency of rain.

The following is the return of the fisheries in this talook, when all the tanks are let:—

Total tanks.—425.
1861–62.—*Rs.* 1,569. 4*a.* 10*p.*
1862-63, 1863–64, 1864–65, 1865–66, 1866–67, 1867–68.—No alteration.

As the same amount of rain must have fallen in this talook and those in the neighbourhood, it is worthy of remark that no remissions were allowed here, and it is also remarkable that the fisheries have yearly obtained the same rent.

53. In the Arcot talook, the sum derived from the fisheries is principally obtained from the tanks. In the river, at the anicut, I found the channel nearly dry, and this appears to be so constantly the case that valuable fish, such as the sable, do not ascend

Arcot Talook. No use placing fish-pass in the anicut, as due to the scarcity of water very few fish exist in the river.

it; the fish are, therefore, all strictly fresh-water ones, and those most generally taken are the wahlah, *Wallago attu*, and the walking fish, *Ophiocephalidæ*. It would, therefore, be a useless expense to attempt fish-passes here for these species. The rent of the fisheries has been as follows:—

| | *Rs.* | *a.* | *p.* |
|---|---|---|---|
| 1862–63 | 1,426 | 9 | 6 |
| 1863–64 | 1,470 | 1 | 6 |
| 1864–65 | 1,442 | 14 | – |
| 1865–66 | 1,550 | 14 | – |
| 1866–67 | 2,348 | 12 | – |
| 1867–68 | 2,785 | 3 | 9 |

Revenue in Arcot talook. Some tanks appear let in perpetuity, some are unlet for deficiency of rain, others have been unlet from too much water existing in them.

54. In this talook, unfortunately the revenue cannot be taken as a direct and decisive proof of either the increase or decrease of the fisheries, because many of the tanks are said to be let in perpetuity, others for long terms. The most valuable is the Cauverypauk tank, which has been let as follows:—

| | *Rs.* | *a.* | *p.* |
|---|---|---|---|
| 1862-63 | 245 | – | – |
| 1863-64 | | — | |
| 1864-65 | | — | |
| 1865-66 | | — | |
| 1866-67 | 820 | – | – |
| 1867-68 | 1,000 | – | – |

In those years in which it was not let, the water is said to have been too high to allow fishing: here, therefore, the return of the register of the height of the water throughout the year in this tank should be given with the returns of the revenue. It seems that a catamaran was rigged up and tried unsuccessfully in fishing. I observed that since 1842–43, the rent of the Vangoor, Polipaukum, Partipootoor, Kavanoor, and several other tanks has remained unaltered, whilst many others are unlet in consequence of insufficiency of water. The price of fish, as an article of diet, is said to have risen owing to a decreased supply, which is not now equal to the demand. In fact, the tahsildar considers that almost any amount would find a ready sale, whether fresh or salted.

Observations upon Colonel Haly's paper on the fisheries of India in the Journal of the East Indian Association.

55. With reference to Colonel Haly's observations in the second number of the "Journal of the East Indian Association," which I have received, I think his statement, as regards the fresh-water fisheries, that young fish are captured for immediate consumption, without even a thought for the future, is correct, wherever a native may indiscriminately fish, as for instance, when the fishing is unlet. But in large rivers, and most of the tanks where the fisheries are let, and this destruction goes on, it is due to the fact that no restrictions exist in the agreement for letting them, and the tenants, therefore, endeavour to obtain all they can for their money. This might easily be obviated by some conservancy laws. As regards the indiscriminate slaughter of fish, "at which not only the "surrounding population by the thousands assisted, but dogs, jackals, birds, &c., lend their aid," it could not have taken place to the south of Madras, where a ready market exists for the sale of fish, and the contractor would allow of no such waste. I inquired most particularly into this subject, but no one had ever heard of such an occurrence.

Classes who consume fish; and good market which exists inland for salt fish.

56. As regards the classes who feed upon fish, they are chiefly East Indians, Native Christians, Mussulmen, and the lower castes of Hindus; but I find at Chellumbrum and a few other places, that some of the more respectable of the Hindus commonly eat fish. All wholesome fish meet with a ready sale, and the importance of fish as an article of food must of course vary with the quantity obtainable. I have reasons for believing, as I intend showing in my final report, that the inland market for salt fish in this Presidency is inexhaustible, and that it is only the very inferior quality of the article supplied which prevents the trade increasing to an enormous amount. No one who has once passed a railway carriage containing salt fish, as at present cured, would wish to do so a second time. The following is the return kindly furnished me last February by the Traffic Manager of the Madras Railway, showing the tonnage of salted fish carried inland from the Western Coast:—

| | | |
|---|---|---|
| 1865 | 1,641 | tons. |
| 1866 | 1,465 | „ |
| 1867 | 2,069 | „ |

Disease due to a salt fish diet.

57. As regards dysentery being produced by salted fish, as Colonel Haly asserts, I some years since remarked that it is due to the poorer classes on the Western Coast salting their fish badly, and keeping it for the monsoon months, when they consume it in a semi-putrid state. The genera are the *Equula*, and the scabbard fish, *Trichiurus;* they are very thin, and are only dipped into the sea, and dried in the sun. That some diseases are due to a fish diet, and that persons living on such a diet are more subject to certain diseases is evident.

Unadvisability of placing brushwood in fresh waters, as

58. The cultivation of fish in India by means of their ova, as suggested by Colonel Haly, would not succeed, for fish as a rule do not deposit their spawn in brushwood, but on

on sandy banks where the water is low, and in the grass by the side of the rivers and tanks. He also observes, speaking of the pearl oyster, that "the success of oyster beds would amount to a certainty," because frost is their greatest enemy; here also I would remark (although I did not go to Tuticorin) that the pearl oyster lives in salt water, and freshes coming down on its abode are said to destroy it, as also severe thunder-storms when in shallows, whilst it dies or does not breed in deep water. Its cultivation, though it might succeed, is a service of no little difficulty.

proposed, for fish to deposit their ova upon.

59. As the generality of fish breed at different months in the southern parts of this Presidency in accordance with the monsoon months, I cannot advocate fence months, especially as some species, such as the sable, are only taken when full of roe, and it is at that time that they are most valuable for the table, the same as with the mackerel and some other species at home. I however believe that unless some means of conservancy are adopted, there is a likelihood of the fresh-water fish supply being greatly impoverished in Southern India, especially in those rivers where there are irrigation works. But this may be obviated by the construction of fish-passes, which I will enter into fully in my final report. A general law also appears necessary respecting the size of the mesh employed in fishing. I do not believe this should ever be allowed of a smaller circumference than six inches. If this course were adopted, it would unquestionably decrease the revenue for a time, but subsequently augment it, provided the tahsildars at different places were directed to pay a little more attention to the revenue derivable from fisheries.

*Fence months not advisable in the south of Madras, as fish breed at different seasons, whilst it is only at the breeding periods the sable can be taken; but a law necessary to restrict the size of the mesh of the nets employed.*

60. As regards the letting of fisheries, the following Return was furnished me from the Madras Revenue Department. In the Madras Presidency no tax is levied on nets for catching fish, but large tanks and rivers are annually rented out, and the amounts realised carried to the credit of the district road fund, subordinate to local funds. The amounts so collected in the year 1866-67, are shown as follows:

**Letting of fresh-water fisheries in the Madras Presidency, as given by the Madras Revenue Department.**

| | *Rs.* | | *Rs.* |
|---|---|---|---|
| Ganjam | 1,538 | Trichinopoly | 587 |
| Kistna | 6,699 | Madura | 14,228 |
| Nellore | 67 | Tinnevelly | 11,076 |
| Bellary | 14 | Coimbatore | 722 |
| Madras | 1,578 | Salem | 2,342 |
| North Arcot | 7,239 | | |
| South Arcot | 5,099 | Total | 69,684 |
| Tanjore | 18,495 | | |

61. This return may be correct, but the Collector of Trichinopoly (*see* paragraph 22) gives the amount for that year as more than double that given above from the Revenue Department. I have applied to some other collectors for returns, but have not received them as yet. My belief is that the revenue returns ought to be an excellent guide as to the increase or decrease of the fisheries, if they are being let out at their value, and I would suggest the advisability of calling for the following information, which should be collated when received. A return from each tahsildar, showing the yearly rent for the last 10 years of every piece of fresh water in his talook, and including in that return all those still unlet. A second return showing the yearly amount received for five years at some previous date, say before 1830. As talooks have altered in size, the rent of separate pieces of water should be shown, and also as I see in some places the rent never alters, as in many pieces of water in Arcot, remarks should be made when it is fixed and permanent. Also a yearly return from every Collectorate since 1825. In valuable pieces of water, which are unlet owing to the excess or deficiency of water, a return of the height at which it stood on the 1st and 15th of every month should be given. It appears to me that when fresh-water fisheries are let for a term, Government is much more likely to lose than when they are yearly put up to auction. If let by the year, the rent appears to be obtained; if for a term, every excuse is made for remissions, either there is no water, as at Chellumbrum, or too much, as at Arcot. The yearly rent appears very small, but I do not believe Government would gain by having the fresh-water fisheries carried on under their own servants. Take the Lower Anicut, for instance; here all the fishermen belong as it were to the present contractor, and would probably not work for anyone else; whilst it would be very expensive to introduce others, and new hands are not likely to be so efficient; at the same time I believe its value is not received. The fisheries in small places get into the hands of certain families, and thus at the auctions there is combination, not competition; this is not so much the case at large towns or stations. Fish-passes will assuredly increase the value of the fisheries above the anicut, and probably repay for their erection in 12 or 18 months. It has been urged by some parties that Natives capture the little fish as food, and that as Government only obtains such a small revenue from the fisheries they might remit the rents entirely. Such a course as this would cause the certain annihilation of the fisheries, such as they are, and the consequence would be, as is said to be now the case in village tanks, that every one who liked would fish, no laws being in existence to restrain or control their proceedings. Thus this course, instead of being philanthropic to the people, would be entirely the reverse, as it would undoubtedly end in their having no fish at all at a future period.

**Return does not correspond with that given by the Collector of Trichinopoly. Statements from other Collectors not received. Revenue returns should be a guide to the increase or the reverse of the fisheries.**

(signed) *Francis Day.*

From Surgeon *Francis Day*, F. L. S. and F. Z. S., on Special Duty, to the Secretary to Government, Revenue Department, Fort St. George; dated 17th November 1868.

1. I HAVE the honour to forward my second report on the present state of some of the fisheries in this Presidency; this continuation having reference to those north of Madras, whilst the former was devoted to those existing in the south. In this report I have not included Nellore, as the time which would necessarily have been occupied in that inspection would have precluded my visiting the important anicuts on the Kistna, Godavery, and Mahanuddee prior to the dry season. For the same reason I had not time to remain longer in the Kistna and Godavery districts, but I believe the information will be sufficient for practical purposes.

**Masulipatam fisheries only partially farmed out.**

2. At Masulipatam I was detained a few days completing the report of my southern tour, which I dispatched from thence, and I took the opportunity of inquiring into the fisheries. I there ascertained that some of the most eligible fishing-grounds have not been farmed out for some years, and I was thus enabled to see an excellent practical illustration of the effects of non-preservation. The same practice of not renting out the fisheries I may mention exists in the Godavery Collectorate.

**Board of Revenue's Circular Orders respecting the letting of fisheries.**

3. It may be as well to give some extracts here from the Circular Orders of the Board of Revenue, to prevent repetition in reference to each locality, as well as in my final report. On 27th November 1848, Collectors were requested "to take measures to introduce, in future, the system of disposing of the village, tank, and channel fisheries on rent, should such a course not have been hitherto adopted." But to the Collector of North Arcot, on receiving his letters of 8th December and 29th January 1849, the Board observed, they "will not press the extension of the renting system in respect to the tank fisheries of North Arcot, but will leave it to the discretion of the acting collector to continue the management of that branch of revenue in the manner which appears to him best suited to the circumstances of his district;" whilst, in reply to a letter from the Collector of Guntoor of 29th January 1849, the Board did "not consider it advisable to revive the practice of renting the tank and channel fisheries in Guntoor." The Agent in Kurnool was directed "not to take any measures for renting the fisheries in his district;" and the Collector of Bellary was "not to make any demand on this head upon fisheries which have not heretofore been subject to tax."

**Board of Revenue's orders respecting the letting of the Kistna fisheries.**

4. In 1862, the Collector of the Kistna district reported to the Board of Revenue that he had been offered 942 rupees as rent for fisheries which had never heretofore been given in rent but where the fishermen used to pay moturpha, the applicants intending to sub-rent them to the fishermen. He received the following answer:—"The Board are decidedly opposed to any extension of the fishery rents, and more especially so where involving in any form the reimposition of the burden from which the abolition of the moturpha tax relieved the poorer classes. The Collector will unhesitatingly reject the tenders." A copy of this was sent to all Collectors, and was immediately followed by the remission of the rents for the fisheries on the Kistna river, at Bezwada, and elsewhere. I propose leaving my remarks upon this subject until the next report, but have placed these extracts here to show the reason why these fisheries have not been let.

**Returns of rents of fisheries in the Kistna district.**

5. The Acting Collector of the Kistna district has furnished me with a return showing the rents received from the fisheries for the last 10 years, from which I take the following in Fuslies:—

| Fusly 1271. | Fusly 1272. | Fusly 1273. | Fusly 1274. | Fusly 1275. | Fusly 1276. | Fusly 1277. |
|---|---|---|---|---|---|---|
| *Rs. a. p.* | *Rs. a. p.* | *Rs. a. p.* | *Rs. a. p.* | *Rs. a. p.* | *Rs. a. p.* | *Rs. a, p.* |
| 1,244 5 2 | 4,641 7 4 | 5,357 11 4 | 3,525 – – | 4,927 7 10 | 6,698 13 4 | 6,864 12 – |

This, however, does not coincide with the following return, dated 12th October; neither does this second agree with the return from the Bunder or Bezwada tahsildars, or that from the office of the Department Public Works (*see* paragraphs 7 and 8). In fact, the accounts of the fresh-water fisheries appear to be complicated, possibly by their being included in other returns; but as I only received the following at Cuttack, I have been unable to re-transmit it for further information:—

STATEMENT showing the FISH RENTS in the undermentioned Talooks of the *Kistna* District.

| Fuslies. | GUDIVADA TALOOK. | | | BUNDER TALOOK. | | | BEZWADA TALOOK. | | | TOTAL. |
|---|---|---|---|---|---|---|---|---|---|---|
| | Tahsildar. | | Department of Public Works. | Tahsildar. | | Department of Public Works. | Tahsildar. | | Department of Public Works. | |
| | Collair Lake. | Tanks and Swamps. | | Rivers. | Tanks, Salt, Creeks, and Swamps. | | Rivers. | Tanks and Swamps. | | |
| | *Rs. a. p.* | *Rs. a. p.* | *Rs. a. p.* | *Rs. a. p.* | *Rs. a. p.* | *Rs. a. p.* | *Rs. a. p.* | *Rs. a. p.* | *Rs. a. p.* | *Rs. a. p.* |
| 1271 | 3,934 15 – | – – | – – | – – | 685 8 3 | – – | – – | – – | – – | 4,620 7 3 |
| 1272 | 4,185 3 4 | – – | – – | – – | 381 4 – | – – | – – | – – | 75 – – | 4,641 7 4 |
| 1273 | 4,968 – – | – – | – – | – – | 389 11 4 | – – | – – | – – | – – | 5,357 11 4 |
| 1274 | 2,303 8 – | – – | – – | – – | 305 7 – | – – | – – | – – | – – | 2,608 15 – |
| 1275 | 4,920 – – | – – | – – | – – | 340 3 7 | – – | – – | – – | – – | 5,260 3 7 |
| 1276 | 4,920 – – | – – | – – | – – | 365 7 4 | – – | – – | – – | – – | 5,285 7 4 |
| 1277 | 4,920 – – | – – | – – | – – | 334 12 – | – – | – – | – – | – – | 5,254 12 – |

(signed) *W. McQuhae,*
Acting Collector.

6. At Masulipatam there are three castes who are principally employed in capturing fish, or are in the fish trade, the Pulla, the Besta, and the Uddee. The salt-fish trade appears to be insignificant, and the article produced very inferior. Its value in the local market is, however, rather high, being about four annas per pound. The Mullet, *May shappah* (Telugu), the Lates calcarifer, *Pundu kopah* (Telugu), and the Polynemus, *Maga* (Telugu), appear to be held in the greatest esteem. In the fresh waters around this station I found the *Botchee* (Telugu), Catla buchanani C. and V., very abundant; but owing to the indiscriminate slaughter which obtains there I could not procure one of more than quarter pound in weight (*see* paragraph 26). Fisheries of Masulipatam.

7. In the Bunder talook there are, according to the tahsildar, 10 places let, of which two are portions of the river, six tanks, and two salt-water swamps. The tahsildar estimates that, if permitted to do so, he could at once double the revenue by letting all those portions now unlet, especially branches of rivers, only one-third of which are at present rented out. Those fisheries which are let are annually put up to auction. As, during the late cyclone, all the old records were destroyed or injured, the tahsildar could give no information prior to that period. The following are the rents he stated to have been received in this talook since 1863:— Fisheries of Bunder Talook, and Tahsildar's estimate of the extent they could be increased.

| | 1863–64. | 1864–65. | 1865–66. | 1866–67. | 1867–68. |
|---|---|---|---|---|---|
| | *Rs. a. p.* | *Rs. a. p.* | *Rs. a. p.* | *Rs. a. p.* | *Rs. a. p.* |
| Rent | 379 11 4 | 300 1 5 | 322 – – | 414 8 – | 383 – – |

8. At Bezwada (to which place I next proceeded up the canal) I requested and obtained returns from the tahsildar, and from the Department Public Works, of the rents received, as the latter lets out the anicut and some of the sluices. As they do not correspond with the Collector's accounts I give them in full, as I am unable now to ascertain with whom the error lies. Rent of Bezwada fisheries.

The tahsildar's return shows he received the following:—

1861. 100 rupees for a portion of the Kistna river.
1862. 150 „ „ „ „
1863. Rents given up under Proceedings of the Board of Revenue already quoted in paragraph 4, conveyed in the Head Assistant's order, dated 8th January 1863.

The Department Public Works collected as follows:

| YEARS. | Anicut. | Sluices, &c. | TOTAL. |
|---|---|---|---|
| | *Rs. a. p.* | *Rs. a. p.* | *Rs. a. p.* |
| 1866 | 136 – – | – – | 136 – – |
| 1867 | 100 – – | 105 – – | 205 – – |
| 1868 | 110 – – | 258 14 – | 368 14 – |

The portion of the river, given under the head of Anicut, consists of about 200 yards of the river below that structure.

Kistna Anicut. Fish unable to pass it.

9. At Bezwada the Kistna is about 1,370 yards broad, and crossed by the anicut. This differs entirely in its construction from those on the Cauvery, as the amount of stone obtainable here is unlimited. It consists of a broad wall upwards of 15 feet high, having a short apron in front of it, and one 200 feet long of rough stone at the back, or between it and the sea; these rough stones are kept in their places by retaining walls, &c. &c. On either side of this anicut are the sluices, whilst a long lock on the Bezwada side leads to the irrigation canal, which divides into two branches, one going to the Godavery at Rajahmundry, the other to Masulipatam. The velocity of the stream in the Kistna is great; the freshes commence in June, and continue to the end of October, after which the river subsides, but it is not fordable until the middle or end of January. About the end of September the sluices are closed, and a wall of rough stone, about three feet high, is raised on the summit of the anicut wall, so as to preserve as much water as possible for the November and December crops. Through this rough wall the water trickles, but it rarely flows over it. About March these stones are employed for strengthening the apron of the anicut, repairing the waste caused by friction, &c. Even if the anicut itself were not an insuperable obstacle to the passage of fish at this part of the river this additional three feet wall would most certainly be so.

Fishermen's account of the effect of the anicut upon the fisheries.

10. At Bezwada, amongst the fish which ascend from the sea, the most valuable economic species is the *Palasah* (Telugu), or sable fish, Clupea palasah C. and V., which come up the Kistna during the months of October, November, and December to deposit their ova, and entirely disappear about April. The fishermen informed me that, for two years after the erection of the anicut, these fish were taken in great numbers, being unable to continue their ascent past the weir; whilst their efforts to do so were so frantic as even to attract the attention of the natives, who renamed them *Yekkudi chakka*, from yekku "to climb." In the Kistna one mode of taking them is by hanging baskets over the anicut, so that the fish jumping against the sluices fall down into them and are thus captured, as at the Coleroon anicut. Owing to the construction of the anicut over the Kistna the numbers of fish, which had previously extended their range for at least 50 miles of the river, became arrested at Bezwada, where they were taken with little difficulty. So large were the captures, that not only were the whole of the fish-eating population amply supplied, but many were salted and sent elsewhere for sale. As the freshes subsided in December and January, those fish which still continued trying to ascend to their spawning beds become entangled amongst the rough belt of stones at the rear of the anicut (*see* paragraph 9), and at night, and in the early morning, when the fishermen were not employed in catching them, the wild animals, such as jackals and the like, took their share, assisted by the pariah dogs, who came down and destroyed numbers. It is universally denied that they were ever "left to rot, or to be destroyed on the banks," as those remaining unsold were salted by the inhabitants of the bazaar, and sent to distant markets. Since these first two years there has been a gradual diminution of this species, as well as of all other kinds of fishes, whether strictly fresh-water or partially marine, and the fishermen complain that they cannot now half supply the local demand. They universally asserted the impossibility of any fish going over the anicut, or ascending up the under-sluices.

Obtaining specimens of sable fish.

11. Judging from the habits of the sable fish, it appeared to me very improbable that none of them were in the river, (which was in full fresh), although the fishermen asserted that this was the case. I accordingly offered a rupee for the first fish brought me, and half that sum for the second. This had the desired effect, and in 48 hours I obtained a pair of them, and subsequently more. The ova was not quite ready for depositing, but it evidently would soon have been so, and they had ascended the Kistna to reach their spawning beds.

Effects of non-letting of fisheries, and their value in the Kistna.

12. Owing to their being no contractor (for the fisheries are not let), they are most imperfectly, although constantly, worked. Every one appears to act on his own account, and morning, noon, and night nets are employed in every available spot. Thus the fish are scared away, and the captures are far inferior to what they would be, were there some organised system adopted, as in the Coleroon. Admitting, as we must, the great decrease of fish in this locality, it appears that, irrespective of the small size of the mesh of the nets employed, two causes have induced this result, viz., the presence of the anicut without a fish pass, and the indiscriminate fishing, greatly the result of non-letting the fisheries. Now even little boys are sent out to capture whatever they can for the use of their family; the size is no object, and thus the fry are destroyed, leaving future years to take care of themselves; this would not be the case were there a contractor (at all events to such an extent), as in self-defence he would prevent this indiscriminate fishing for some months in the year, whilst the sable was in the river. Seeing two lads fishing on one occasion I questioned them, when each showed a moderate sized chatty, which they said they must half fill before they went home, or, as they expressed it, their mothers would beat them. I found hundreds of the fry of the catlas, barbel, labeos, siluroids, and other fish, which might attain a good size if allowed to grow. In the bed of the river, irrespective of the destruction going on along the banks, were the regular fishermen who use cast nets. About November or December the local fishermen are supplemented by as many as 40 more from Dowlaishweram and its neighbourhood, who come over to assist in catching the sable, and earn about eight annas a day each, remaining

ing for from one month to six weeks (*see* paragraph 23).—I think Mr. Stuart's estimate (in his letter, dated Bezwada, 21st October 1867*), that 3,300 cavady loads of fish, weighing 14,600 maunds, of the value of 7,800 rupees, are annually taken below the anicut, is too high; but as he has resided some time on the spot as acting head assistant collector, his opportunities of correctly ascertaining the amounts captured were superior to mine. Mr. Stuart, apparently from personal observation, states that the Dowlaishweram fishermen, who come in November and December, a period I was unable to be present (*see* paragraph 1), bring nets of from 300 to 400 yards long, and from 12 to 14 deep; that "the greatest quantities of fish are caught in the deep pools below the anicut, the net being first fastened at one end, then taken round a wide sweep, and gradually drawn in. At one haul these large nets will bring to land five cavady loads, and five or six hauls appear to be the usual day's work. In each haul (say 36 cavady loads) there will be some dozen or two of other kinds, but almost the whole haul consists of "yekkudi chakka," "sable fish." As the usual computation appears to be that Government should receive one-fourth of the value of the fish taken, this would give a yearly loss on this one spot (according to the head assistant collector's calculations) of 1,950 rupees to Government, and as this has gone on for six years, the rents which could have been raised would have been amply sufficient to defray the cost of a permanent fish-pass. The small white fish, alluded to by Mr. Stuart as taken in the canals, appear to me to be a *Chela*, which abounds, and is somewhat similar in appearance to the sable fish. The difficulties for fish to obtain an entrance from the Kistna river into the canal are great, whilst the latter is too dirty for this species (the sable) to reside in.

* Proceeding of Madras Government, 27th May 1868.

13. As regards the anicut itself, although the height of the wall above the bed of the river is considerable, the rough stones forming the apron on its sea-face have a gradual slope in their descent of 200 yards, and up this incline it might have been imagined the fish could easily pass, but such is not the case; the velocity of the current is great, and in passing over these rough stones the fish apparently become so bruised and otherwise injured that none cross the anicut. As I have already observed, amongst these rough stones numbers were taken soon after the construction of the anicut. On either flank are the sluices, where this rough apron does not exist, but even over this they cannot pass, although the water is sometimes several feet above its summit. The reason appears to be, that fish pass along the beds of rivers towards torrents, and if those beds are rough they cannot ascend. At the sluices they evidently go against the base, and will not rise sufficiently to pass over the wall; for as they rise the current takes them down the stream, and they do not find the obstruction overcome. It appears unquestionable that no sable or other sea-fish are ever taken above Bezwada now, although they used to be prior to the construction of the anicut.

**Reasons why fish cannot ascend over the anicut.**

14. The anicut for want of a fish-pass is thus preventing fish from ascending the river for the purpose of breeding, and doubtless, unless some remedial measures are adopted, the fisheries, which are now very inferior, will be entirely ruined, requiring at least two years of rest for even partial recovery. As regards the anicut, it seems questionable whether a permanent or temporary fish-pass would be least expensive; for the officer in charge considers it unadvisable that, for the sake of the stability of the works, any permanent structure should be erected up the face of the apron. These, however, are all subjects for the Department of Public Works, and therefore I shall only subsequently allude to the form required, leaving the method of construction to the consideration of the Engineering Department. Colonel Winscom suggested a temporary pass, which he considered could be erected for about 50 rupees. On this subject I addressed him a letter the day I left Bezwada, in which I offered personally to defray the cost on that amount, as the sable fish were just arriving, and thus one season would have been saved; but his answer has apparently miscarried, as I have not yet received it. I doubt if it will succeed, but considered it worth the trial, especially as the engineer officer proposed it.

**Necessity of a fish-pass.**

15. The fisheries here are are only partly let, and afford a good illustration of the effects of indiscriminate fishing, which I maintain must be as destructive to the fisheries in India as it has been to those in Europe, rendering it more economical and beneficial to the community to let out all fisheries, at the same time restricting the size of the mesh of the nets. If Government would consent to let out all these fisheries, in addition to the service it would be to the fish, I believe an increased revenue would result; and even if the fish-passes prove expensive, the rents would, I expect, amply reimburse the outlay. The value of the river fisheries above the anicut would be increased, the fish would multiply, and subsequently the fisheries below the anicut would improve. I trust it will be conceded that, when I use the term "increased revenue," I allude not so much to the money which would be received as to the increased value of the fisheries. The non-letting of the fisheries, or indiscriminate fishing, has been tried for six years, and I would now suggest the adoption of the renting system, with rules respecting the size of the mesh; the prohibition of fishing, excepting with rods and lines within 1000 yards of all anicuts, dams, locks, or masonry works extending across streams or canals of fresh water; and the construction of a fish-pass over the anicut.

**Some of the remedies proposed.**

16. It will be as well to give some instances here to show that the fry of fish are destroyed in numbers, not wantonly for the sake of destruction, but because larger fish are unobtainable. I have already alluded, in paragraph 12, to two lads fishing, whose only directions were to bring home a sufficient supply, irrespective of size or condition.

**Examples of the destruction of the fry of fishes.**

dition. I examined the baskets of several of the fishermen, and still saw the same predominance of small fish taken, and fry in quantities destroyed without compunction either for food or for sale. Now, this constant netting, if the fisheries were let, would be prohibited by the contractors, not for the sake of the fish, as they do not seem ever to look beyond the present day, but because they would be taking his fish, and disturbing his fishing. Thus the non-letting is one of the causes of the destruction of the fry, and the consequent decrease of the mature fish. Miles upon miles of the river are thus left to chance, or rather not to chance, but to the certainty of depopulation. One day some sun-dried fish were brought me, and on purchasing nine pie worth, I found I had upwards of 200 small fish for my money. Several persons, I was informed, in this and the neighbouring talook live upon capturing the small fry, drying them in the sun, and disposing of them!

**Ellore and Collair Lake. Value of fish in the local market.**

17. On leaving Bezwada I went by the canal to Ellore, in the Gudivada talook. Here, as I have already shown (paragraph 5), the Collair lake brings in a fair revenue to Government. Except in the rainy season, this lake or tank was formerly salt water, but owing to the bund erected of late years, it is now kept fresh. It is computed to cover 100 square miles, and the Burdwan river flows into it. For the last three years it has been farmed out to a Mahomedan and a Brahmin in partnership, and they sublet most of it in portions to various individuals. In the town of Ellore the fish sold realise about 1,700 rupees yearly, according to the tahsildar. The persons who dispose of it purchase it at the Collair Lake or at Bezwada from the fishermen, charging one-third more for the risk and expense incurred in bringing it. Fish, in common with other provisions, is now much dearer than formerly. A *Botchee*, Catla buchanani, of about 5 lbs. in weight, is worth three dubs, or about one anna at the present rates. I could not obtain many species from this lake, but the wahlah, the ophiocephalidæ, and the barbels appear to abound.

**Rajahmundry. Former taxes on fishermen; how fish have decreased since the construction of the anicut at Dowlaishweram.**

18. From Ellore I proceeded by canal to Rajahmundry on the Godavery, some few miles above the Dowlaishweram anicut. The fisheries are not farmed out nor let, but the following is an account of what was received for 10 years, to Fusly 1271:—

| —— | Fusly 1262. | Fusly 1263. | Fusly 1264. | Fusly 1265. | Fusly 1266. | Fusly 1267. | Fusly 1268. | Fusly 1269. | Fusly 1270. | Fusly 1271. |
|---|---|---|---|---|---|---|---|---|---|---|
| | *Rs.* | *Rs.* | *Rs.* | *Rs.* | *Rs.* | *Rs.* | *Rs.* | *Rs.* | *Rs.* | *Rs.* |
| Rent - - - | 137 | 137 | 139 | 24 | 24 | 24 | 24 | 24 | 24 | 24 |

It appears to be a common scramble who can take the fish, irrespective of their age or condition. At present there is a tax of one rupee on every house inhabited by fishermen, and about twenty in number; this they appear to consider gives them a right to the fisheries. I applied to the tahsildar for further information respecting this, and he explained that, since Fusly 1271, "the tax on them was inflicted, and is being collected by the Municipal Department." About 30 persons fish with cast nets, and it appears to be a tacit agreement that the fishermen from Rajahmundry do not go to Dowlaishweram, and *vice versâ*. Before the construction of the anicut, sea fish were by no means uncommon opposite the town, but now they have become comparatively rare, and it is quite futile to expect to obtain large fish above the anicut. The anglers appear to have but little sport; they sit hours and hours on the stone wall or elsewhere baiting their hooks from time to time with coagulated blood, but they as frequently return home without, as with anything worth catching. This great diminution in the number and size of fish taken by angling is said to be only of very recent years. I obtained a few sable fish, *Clupea palasah*, C. and V., which had evidently deposited their roe, and about 100 fry of the same species, apparently about a month old, and also the *Sciæna coitor*, H. B., thus distinctly proving that sea fish may either ascend the river over the anicut, or come up the irrigation channels. There appears to be a large demand for fish, and the sable and other species ascend during the south-west monsoon when the freshes come down.

**The Rev. Dr. Murphy's account of the fisheries in the Godavery, from 1861 till the present time.**

19. I applied to the Reverend Dr. Murphy at Rajahmundry for any information respecting the fishes of this magnificent river, which he would be good enough to afford me, as he has been residing either at Rajahmundry or at Dowlaishweram since 1861, the year before the Revenue Board ceased accepting rent for these fisheries. The following is a synopsis of his reply: That he considers the fish have decidedly decreased, which decrease has been more apparent during the last three years; that this has been due to excessive destruction of fish below the anicut, and also to the universal and unrestricted capture of the fry in the river and irrigation channels; that the price of fish has more than doubled. With regard to the anicut, he observes, that it facilitates the destruction of fish by causing them to collect in large numbers whilst awaiting a fresh, to enable them to pass over it on their way to the spawning grounds. Since it was raised two feet higher (that is, within the last four years) it prevents the return of the later fry to the sea, and causes them to pass down the irrigation channels where they are mostly captured by nets, or being carried out into the small channels they become lost in the paddy-fields. The early fry began to pass down to the sea in November or December, but after the latter month they cannot cross the anicut. Dr. Murphy also agreed with me on the advisability of compelling the fishermen to enlarge the mesh of their nets. All the natives, and most of the Europeans whom I questioned on the subject, considered that the fish had greatly decreased

decreased both in number and in size; some assigned one cause for this, others another. It appears to me, however, as I propose showing in my final report, that it is produced by several circumstances, all acting deleteriously, which, if left unchecked, will probably end by totally destroying the fresh-water fisheries.

Dowlaishweram anicut, over which it is asserted the sable fish ascend when the freshes are high.

20. At Dowlaishweram there is a magnificent anicut across the Godavery river. It was constructed in 1847, and in its formation differs considerably from those on the Coleroon or the Kistna. It is four miles in width, but has three islands or lunkahs in its course as "points d'appui." Rising fifteen feet from the bed of the river, its wall is 14·6 broad at its summit. From its rear, or sea face, it forms a smooth curve technically called an "ogee curve;" this is 29 feet in length, having a descent of 8·6 feet; whilst beyond this portion are large racked stones, terminating in a retaining wall, the whole of this latter being 35 feet in length, having a descent of three feet; whilst still further from the anicut is a rough stone apron 114 feet in length, with a perpendicular descent of 6·9 feet. It will consequently be seen that for the last 29 feet, prior to reaching the anicut wall, the ascent is a curved and perfectly smooth wall. It is asserted that up this the sable ascend when the freshes are so high that there is no perceptible ripple over the top of the anicut, and this, although theoretical, is probable. As to their ascending up the under-sluices, it is simply impossible. Since the construction of the anicut the fishing for the sable at Dowlaishweram has greatly increased, for they are now detained and captured in large quantities below that structure, whilst waiting for a fresh to enable them to ascend.

Abolition of the moturpha tax, &c.

21. The fishermen stated that, prior to the abolition of the moturpha, they paid 15 rupees yearly, which tax included the whole of those of their caste who resided in Dowlaishweram, and that from the period of its abolition they have paid 30 rupees to the Moonsiff at a feast which takes place in February, ostensibly that they may have a good fishing season, and to prevent any complaints being made as to their interfering with the stones of the anicut. This money, the Moonsiff asserts, he spends in oil, lights, &c., and that this sum has been given yearly since the construction of the anicut as a voluntary gift, but at the same time he complained of having only received 10 rupees out of the 30 rupees for this year; the fishermen not having yet paid him the difference. They, on the other hand, deny this, and say they have never had any account of the money spent. It is a pity that on these occasions the ignorance of the people prevents their applying for redress to the proper authorities, in which case, if this is an extortion, it would be immediately inquired into and stopped. I allude to it here, because it is very rarely that natives ever say anything of these petty exactions, or if they admit them in an incautious moment do not deny having ever said so if questioned again on the subject.

Mode of capturing fish, and best market for their disposal. How the young sable fish go down the irrigation canals, but are not present below the anicut in the river.

22. The Dowlaishweram fishermen work in gangs of from nine to twenty in each, under one head man. The fish are disposed of by sale, and the proceeds divided into shares. The usual plan appears to be for each gang to possess two boats, with one long net, which is fastened at either end of the stern of each boat; these boats are then paddled round a large circuit of water, and thus taken down stream, and gradually bringing the outer end of the net round they tow it on shore. About four hauls are made daily by each gang. I saw 45 sable fish captured at the first haul by three gangs of eight men each; this was considered only a moderate take. Ten of the fish were out of season from having deposited their ova; they looked dull about the eyes and head, and had a flabby unwholesome feel; these had no doubt dropped their ova below the anicut; for it is very improbable that, having once passed over it to spawn, they could return the same season, unless down the irrigation channels. Not a single one of the fry was taken below the anicut on this or any subsequent occasion. Each adult fish is worth about six pie. The sable is said to be taken in the greatest number in the freshes of July, August, and September, whilst about the middle of October it commences to disappear from the river, which is getting clear. Owing to the comparative sluggishness of the Godavery it can be netted through much of the freshes. Some of the fry leave as late as March, and go down the irrigation canals to the sea. Besides being captured by long seine nets the sable are taken by means of cast nets, and when the sluices are open even by baskets which are hung over the river close to the anicut wall, so that as they jump they fall into them in the same manner as previously described at the Bezwada and Coleroon anicuts. The best paying market for these fish appears to be at Samulcottah, where a Native regiment is stationed. It is 45 miles distant down the canal, and I am informed that by the time the fish arrive there they must be almost unfit for human food. Certainly the stench arising from the boats carrying fish is almost insufferable. If taken of an evening the fish are, as a rule, 15 hours before they reach Samulcottah. They are not cleaned, and no salt is employed, the fishermen not having sufficient energy, apparently, to cure them; much of it is thus spoilt from arriving in a semi-putrid state. Individual fishermen, such as those from Dowlaishweram, cannot personally undertake this with much prospect of success, unless on a large scale, and the subdivided manner of fishing renders it unlikely that, if the present mode is continued, any improvement can be expected. Here it may fairly be asked whether fish in this state has any effect upon the health of the Native population of this station, or whether the police seize it as unfit for human food, which I am assured they do not do.

Means of disposal of captured fish. De-

23. The fishermen state that there is no waste of fish taken from this locality; that all captured are sold without any trouble, and none of them ever remember fish left to the

Increase of value of fisheries. The Dowlaishweram fishermen go to Bezwada yearly.

dogs and wild animals to devour. One year they mention, when cholera was very prevalent at Dowlaishweram, the chief engineer had their fish taken from them and buried, as he believed it to be either productive of that disease, or to assist in its dissemination. Sometimes they are losers by the fish becoming putrid *en route* to distant markets, but they maintain that they could sell three times the amount now taken without the least difficulty. They universally agree that the number captured is much less than it used to be, and that the fisheries have been decreasing since the erection of the anicut, whilst above that structure large fish have almost entirely disappeared for the last few years. In the month of October many of the Dowlaishweram fishermen go to Bezwada with their nets, because it is only when the rapidity with which the Kistna flows during the freshes begins to subside that the sable can be captured in that river. This appears to be the reason why the fishermen assert that these fish only arrive at Bezwada when the water in the Kistna becomes clear.

Fish obtained in the Kistna and Godavery rivers.

24. I will now detail the various species of fish which I personally obtained in the Kistna and Godavery. Possibly the communication formed by the canal between these two rivers may account for the similarity of the fishes, as lochs of sufficient size, although they impede, do not prevent the ascent and descent of fresh-water fish.

LIST of SEA FISHES personally obtained in the KISTNA and GODAVERY RIVERS.

| Scientific and Telugu Names. | Kistna River. | | | Godavery River. | | | Size attains. | Remarks. |
|---|---|---|---|---|---|---|---|---|
| | Above anicut. | Below anicut. | In Irrigation canals. | Above anicut. | Below anicut. | In Irrigation canals. | | |
| Sciæna coitor, *C.V.* Goraka, *Tel.* - - | No. | Yes. | No. | Yes. | Yes. | ? | 7 in. | Breeding. |
| Clupea palasah, *C.V.* Pulasu, *Tel.* - - | No. | Yes. | No. | Yes. | Yes. | Yes. | 18 „ | Do. |
| Pristis semisagittatus, *Shas* - - | No. | ? | No. | No. | Yes. | No. | Large. | — |

There are other species of sea fish which also ascend, but these I have omitted, as they come up more for the purpose of preying upon the smaller kinds than anything else; and the anicut does not interfere with their breeding, but only assists them in procuring food. The fresh-water fishes I obtained were as follows:

ACANTHOPTERYGII.

1. Ambassis, *Akkurati* and *Balimkaku*, Tel.
2. Goby, Gobius giurus (H. B.), *Tsikidundu*, Tel.
3. Nandus marmoratus (C. and V.), *Septi* and *Isoppitay*, Tel.
4. Common walking fish, Ophiocephalus striatus (Bloch), *Sowarah* and *Muttageddasa*, Tel.
5. Fresh-water sand eel, Rhynchobdella aculeata (Bloch), *Bommiday*, Tel.
6. Spined eel, Mastacemblus armatus (Lacep), *Mudibommiday*, Tel.
7. Small spined eel, Mastacemblus pancalus (H. B.), *Pahparaal*, Tel.

SILURIDÆ.

8. Scorpion fish, Saccobranchus singio (H. B.), *Marpu*, Tel.
9. Wallago attu (Bloch), *Valaga*, Tel.
11. Eutropius taakree (Sykes), *Salava jella*, Tel.
12. Pseudeutropius atherinoides (Bloch), *Ahku jella*, Tel.
13. Pangasius buchanani (C. and V.), *Banka jella*, Tel.
14. Silondia gangetica (C. and V.), *Wanjou*, Tel.
15. Macrones cavasius (H. B.), *Nahra jella*, Tel.
16. Macrones aor (H. B.), *Muti jella*, Tel.
17. Macrones tengara (H. B.), *Saku jella*, Tel.
18. Rita crucigera (Owen), *Gudla jella*, Tel.
19. Bagarius Yarrellü (Sykes), *Rahti jella* Tel.

CYPRINIDÆ.

20. Catla buchanani (C. and V.), *Botchee*, Tel.
21. Cirrhina Leschenaultü (C. and V.), *Aruzu*, Tel.
22. Labeo fimbriatus (Bloch), *Ruchu* and *gandumenu*, Tel.
23. Labeo gonius (H. B.), *Mosul*, Tel.
24. Labeo calbasu (H. B.), *Nullagandumenu*, Tel.
25. Barbus? *Vagamma*, Tel.

26. Barbus

26. Barbus guentheri (Day), *Nilusu*, Tel.
27. Barbus sophore (H. B.), *Chadu perigi*, Tel., or "Bitter Carp."
28. Barbus ambassis (Day), *Kalay*, Tel.
29. Crossochilus reba (H. B.), *Pullarazu*, Tel.
30. Thynnichthys? *Kala tala* and *Ahhu chappah*, Tel.
31. Nuria danrica (H. B.), *Konissi*, Tel.
32. Amblypharyngodon mola (H. B.), *Tullamaya*, Tel.
33. Aspidoparia morar (H. B.), *Ulsa*, Tel.
34. Rohtee vigorsii (Sykes), *Kunninga*, Tel.
35. Rohtee microlepsis (Blyth), *Kilay*, Tel.
36. Rohtee ogilbii (Sykes), *Kunninga*, Tel.
37. Chela bacaila (H. B.), *Badishaya*, Tel.
38. Perilampus atpar (H. B.), *Arhu konissi*, Tel.

Irrigation canal to Cocanada. Presence of sable fish. Suggest that destruction of fry should be prevented, but a fish pass at Dowlaishweram of no immediate necessity.

25. From Dowlaishweram I proceeded to Cocanada down the canal, and took the opportunity of examining whether the sable fish make use of that communication with the sea as a means of ascent and descent. At its mouth I was able to obtain several specimens of the mature fish, which is exceedingly common at that spot, but above the lochs they were absent; still it is my belief that these may have been the mature of young fry, which had come down this means of exit from the Godavery to the sea. Above the first loch from the sea there were a considerable number of the young, of the same size as those taken in the Godavery at Rajahmundry, thus conclusively showing that the fry are able to make use of this communication with the sea to descend from the river; for, as already observed, the young fish cannot pass over the anicut after the freshes are over, the water being too low. The only exit they find at Dowlaishweram is by the canal. The lochs are opened several times a day for the purpose of admitting boats passing to and fro; young fry have a natural tendency to go down stream, and thus wait close to the obstruction until it is opened, when they will have little difficulty in descending, provided their capture at these spots is prohibited. I do not think, therefore, that at present it is necessary to incur any expense in building a fish pass at Dowlaishweram, as I found sea fish above that structure, and also traced the young down the canal towards the sea. The destruction of the fry in these canals is, however, on all hands admitted to be most disastrous. They are captured close to the lochs, and wherever any impediment exists; whilst when the water is cut off in the canals, and they are closed for repairs, the lower end becomes dry, and the fish must either die there or pass into the paddy-fields and be destroyed. As these fish pass down from October to January or February, this destruction should be entirely prevented, and this alone would probably be one means of restoring the sable to the river.

How fish are salted at Cocanada. Decrease of fresh-water fisheries. Great amount in a preserved tank.

26. At Cocanada there are about 40 fishermen who formerly resided within the limits of the municipality, but as their absence was considered desirable, they were presented with a suitable piece of land on which to erect their village; this having the additional recommendation of being beyond the municipal taxing limits appears to suit them exactly. They consider the best season for sea-fishing commences about December, and although they salt fish it is not of a good quality. They collect the saline effervescence from the marshes, whatever it may consist of, and into this they put small fish, which are allowed to remain in it for 24 hours, and subsequently one day's drying in the sun is deemed quite sufficient. The smell of this preserved fish is abominable. It is their impression that good salt is too expensive for it to be profitable to them to use it in curing fish. They have a yearly ceremony about December when they boil milk and rice together on the banks of the Godavery, which they then worship, and subsequently have a feast off some goats which are killed for the occasion. In the fresh waters, and tanks fed by the irrigation canals, it is asserted there has of late years been a considerable falling off in the quantity of fish taken, and consequently the price has risen. This falling off of fish, however, can hardly be due to anything but the destruction of the fry, as I was fortunate enough to be able to ascertain. The collector, Mr. Fraser, kindly allowed me to have one haul of a seine net in a tank at Cocanada, fed by the irrigation channel; for the last two years the water has been used for drinking purposes, and all netting consequently prohibited. In this haul 27 large *Botchees* were taken, weighing from five pounds to nine pounds each, besides an enormous number of small fish, consisting of the young of this species, and other inhabitants of fresh water. This was most interesting, showing the effects of preservation; such fine Botchees it would be simply impossible to obtain from any irrigation channels or tanks which are constantly netted.

Fish castes at Gopaulpore, and salting fish.

27. From Cocanada I proceeded by steamer to Gopaulpore. Here the very heavy surf which prevails during the south-west monsoon, and even at other times of the year renders the risk of fishing in the sea somewhat greater than in most other seaport places. There are two castes of fishermen, the *Wahdas*, who ply their occupation in the ocean and deep waters, and also act as boatmen, but never salt the fish they capture; and the *Cundras*, who fish in the rivers, back-waters, and along the shore; they also purchase sea fish from the Wahdas, which they carry to Berhampore and elsewhere for sale, and even salt what remain, but this is not much, as the supply rarely equals the demand. From June to September, inclusive, are considered the best months for river fishing, when mullet, whiting, and several other species of fish ascend for the purpose of depositing their ova. I observed that women are sent down to the sea to collect the water, from which they obtain

the salt for preserving those small species of fish which are useless for sending away fresh for sale.

Weir at Gopaulpore.

28. There is a small estuary, or brackish river, of about three miles in extent at this place, which extends from the Munsoorcotta Fort to the sea. This is farmed out; and I closely examined the whole of it with reference to the fry of sea fishes. On it there are two weirs erected, for the purpose of capturing fish and crustacea. They are about four feet in height, and consist of labyrinths, open on the land side or up-stream; the walls of these labyrinths are formed of cages, about four feet long and two feet wide at the base; they are flat below, joining above, where there is a hole at one end to remove the captures; along the face, up-stream, each of these cages has three openings, low down in the rattan, like the entrance into a wire rat-trap, so that whatever enters cannot escape. These cages are taken up at low-tide, and replaced before the next high tide. A keeper lives alongside and sends off whatever is taken to Berhampore immediately it is removed from the weir. On the sea face of this weir are also nets, which are hauled up at every low tide. Mostly crustacea are captured, but also mullet, eels, and whiting. On crossing this river above the weirs a number of mullet commenced jumping out of the water, and making off in every direction. My bearers then became very excited, bumped the tonjon on shore, and rushed as fast as they could go into the water, where they forthwith set to work vigorously, clawing up the mud from the bed of the river with both hands. In this manner they secured a number of mullets; in fact, each man on an average caught ten a minute, whilst the fish were of moderate size. The only fish which appear to breed above the weirs is a small species of mullet.

Sea fish at Gopaulpore, and possible existence of the oil sardine.

29. The sea, on my first arrival, was too rough to allow the fishermen to use their nets, so I remained a few days until the surf subsided. Here I found the young of the mackerel, *scomber kanagurta*, (C. and V.,) in abundance; but I was unfortunately unable to obtain any information as to whether they arrive in droves, as in Malabar, where they are extensively salted for the Ceylon and other markets. I was also informed that, during the last few years, shoals of small fish, about the size of sardines, have appeared about November. I could not ascertain whether they previously arrived about the same time, or at all. They are not made any use of, as oil is not manufactured in this place. Captain Waters has promised to be good enough to send me some specimens to Cuttack that I may ascertain whether it is the true oil sardine, which for several years have been so unaccountably absent from the western coast.

Berhampore. Tank fishing. Tank of putrid water contained fish.

30. From Gopaulpore I went to Berhampore, and inspected a large tank a few miles from that station. It was covered with the lotus plant, and its deep waters were so full of weeds that it could scarcely be imagined that it was of much utility for fishing purposes. The fishermen I took with me could not use a net, and after two hours' work we were obliged to give it up, having only taken two walking fishes and a loach by means of tickling. But just as we were leaving, the fishermen who farm it came down and showed us the means by which they contrive to make a good livelihood. They use shallow boats, which they pole about amongst the weeds, and every here and there they hauled up baskets, like the traps described in paragraph 27, which had been placed in the best positions the previous night. In these traps not only eels and crabs are caught, but also the walking fish, and climbing perch, which, when on their travels, walk or crawl through the entrances into the rattan cages. They also spear fish, and thus obtain very large ones. The spear differs from that in use at Cuddalore, being flat, with four prongs on a single line, the two outer being the longest. Large quantities of fish are also taken by rods and lines from the boats, a large bivalve mollusk, which is very common here, being used as a bait. The fish when captured are taken into Berhampore for sale, where they meet with a ready market. There is said to be no apparent decrease in the number of fish; but the amount taken depends greatly upon the rainfall, and consequent filling of the tanks. I may here mention that in one small tank we came to the water was perfectly putrid, and the Natives informed me that it had been so for months, and was consequently unfit for anything but fish. I was curious to ascertain whether fish really could exist in water so foul, so, after much persuasion, prevailed upon the fishermen to use their nets, and it was found as full of fish as any of the other tanks, the only difference being that they were of a darker colour. The water, I should mention, was nearly black, and the bottom of the tank deep in black slimy mud; yet Natives not only eat these fish themselves, but sell them, as good for food, in the market.

Chetterpore. The returns for fisheries in the Ganjam Collectorate.

31. I next proceeded to Chetterpore, where I did not obtain much, as the tanks were nearly dry, and the curious long fresh-water lake running ten feet above the high-water level, parallel with the sea, from which it is merely divided by a bank of sand, was full of weeds. The Brinjarees, who yearly come down the ghauts with pack bullocks and donkeys, exchange turmeric and other articles with the people in this collectorate for salt fish. After the abolition of the moturpha tax in this collectorate the fisheries were farmed out, and have been annually let since that period. The Munsicotta river, however, where the farmer has had the expense of making weirs, is let on a lease of five years. The following is a synopsis of the return furnished me by the collector of the rents of the fisheries:—

RETURN OF RENTS for the FISHERIES in the GANJAM COLLECTORATE.

| FUSLY. | BERHAMPORE TALOOK. | | GUMSUR TALOOK. | | CHICACOLE TALOOK. | | TOTAL. |
|---|---|---|---|---|---|---|---|
| | Fresh-water Swamps and Rivers. | Salt-water Swamps and Rivers. | Fresh-water Swamps, Tanks, Nullahs, and Rivers. | Rivers. | Fresh-water Swamps and Rivers. | Salt-water Swamps and Rivers. | |
| | *Rs. a. p.* | *Rs. a. p.* | *Rs. a. p.* | *Rs. a. p.* | *Rs. a. p.* | *Rs. a. p.* | *Rs. a. p.* |
| 1275 - | 1,161 2 8 | 550* - - | - - | - - | 393 4 - | 327 12 - | 2,432 2 8 |
| 1276 - | 1,595 8 - | 766 - - | 199 - - | 36 14 - | 1,074 - - | 625 - - | 4,296 6 - |
| 1277 - | 1,600 8 - | 921 - - | 238 8 - | 39 8 - | 955 12 - | 626 - - | 4,381 4 - |

From the foregoing it will be seen that there is a steady but rapidly increasing revenue derived from the fisheries of this Collectorate, whilst the fishermen do not complain of a decrease of fish to any extent. Doubtless the character of the tanks, and the great prevalence of the screw pine, the *Pandanus odoratissimus*, the roots of which have spread into most of the tanks, combined with the large quantities of the lotus and other weeds, renders constant netting almost impracticable, thus giving the fish a chance of breeding; for it is not worth while to take much trouble in catching the fry when large fish are obtainable. Indiscriminate fishing is also prevented, the farmers in the places I visited having watchers to protect their property.

32. The largest fisheries at Ganjam are marine and back-water. The fishermen are the same castes as at Gopaulpore. Salt appears to be more easily obtained from the salt pans being within a mile of the town, and it is surmised that much of the rejected salt is used in curing fish. Salt fish is exchanged with the Brinjarees as at Gopaulpore. A mullet of about three pounds in weight, in full roe, is valued at one anna when plentiful, and one anna three pice when scarce, whilst other sea fish are sold at proportionate rates. The sable ascends the river for some distance, but the people are so poor that the pecuniary value of the fishing cannot be very great. If some impetus were given to the capture of fish, the contiguity of the salt pans should make salt fish cheap and abundant, but the inhabitants are wanting in energy, and apathetic in the extreme. **Ganjam. Salt fish. Value of fish. One mode of fishing.**

An official informed me that he went out one night to see how the murrul, or walking fish, *Ophiocephalus striatus* (Bloch), was captured. The fisherman had provided himself with a long flexible bamboo as a fishing rod; a line was attached to the end, having a hook baited with a bull frog. Hardly had the frog been splashed into the water, when a moderate sized walking fish made a dart at and swallowed it. Desirous of ascertaining what would next ensue, the murrul was left as a bait with the swallowed frog; before long a large water-snake was seen swimming towards it, and soon had the fish in its capacious jaws, and was thus pulled out of the water and despatched.

33. The next station, or rather deserted house I went to, was Rumbah, on the banks of the Chilka lake, a portion of which is in the Madras territory, and the remainder in Bengal. It is a large collection of salt water, about 35 miles in length from north-east to south-west, and 18 from east by north to west by south. It is divided from the ocean by a narrow strip of sand, seldom upwards of 300 yards in breadth, and discharges its waters by an opening into the sea. The general depth is about five feet, and rarely above six. Several rivers empty themselves into it, bringing down a large amount of alluvial deposit. The bed consists of thick blue mud. As it is navigable for large cargo boats the fishing is unlet, but a considerable amount of marine fish appear to be taken in it, some of which are dried and others salted. Numerous labyrinthiform weirs, much like those described at Gopaulpore, are employed along the shores of this lake for taking crustacea, which are most abundant. A begti, *Lates calcarifer*, weighing about 30 lbs., was brought me, and the fishermen were very well pleased to accept six annas, which shows either how very cheap fish is there, or the poverty of the population. **Rumbah and the Chilka lake. Value of fish.**

(signed) *Francis Day*,
On Special Duty.

## APPENDIX No. I.

From Surgeon *Francis Day*, to the Superintending Engineer of Bezwada; dated Bezwada, 25th September 1868.

1. I have the honour to request you will be so good as to favour me, at your convenience, with your opinion on the following subjects, to append to my report to Government on the state of the fisheries of this Presidency, suggesting such remedies as may appear to be expedient.

2. Assuming the necessity of erecting a fish pass to enable the passage of fish over the anicut during this period of the year, or from October to January inclusive, the question arises whether you would advocate a permanent or temporary structure as regards its effects on the anicut? Could you suggest any inexpensive temporary pass which would not act injuriously on any portion of the anicut?

3. The pass I allude to would have to be 18 feet wide, with a series of steps, each one foot high, with basons 13 feet long between each, except the last three feet of perpendicular height furthest from the anicut, which might be merged into a slope nine feet long, and having a one foot step at the top of it. The whole of the floor of the fish pass should be made as smooth as practicable, and have side walls to maintain it as full of water as possible. The walls for each step should be one foot lower than the one above it, but one-third of the length of each of these walls must be two feet high so as to bring that part on a level with the summit of the one above it. This portion should be on alternate sides of the pass at each step. The basons should hold three feet of water in depth below the walls forming the steps above each.

4. The best place for a permanent fish pass would, doubtless, be up the apron opposite the deepest water, or if such would be dangerous, there is a place about 18 feet wide between the under-sluices and the lateral walls of the apron.

5. A temporary fish pass of rough stones covered with mats, and yearly renewed, such as we conversed upon, might answer, and if you would assist the experiment this year, I shall be happy to advance as far as 50 rupees for mats, to keep the water in the temporary pass and flowing over the wall. The mats employed for covering the steps and sides will, I fully understand, be liable to be washed away, but without them I do not think the construction will answer.

6. As I find that breeding sable fish are now coming up the river, I should very much wish this experiment to be tried this season, and if you will oblige me by giving me your opinion on the result obtained, I shall esteem it an additional favour.

## APPENDIX No. II.

OBSERVATIONS on the state of the FISHERIES in the GODAVERY RIVER since 1861.

| Questions. | Answers. |
|---|---|
| 1. Do you consider that the fish in the Godavery have increased or decreased since you came here in 1861? | 1. I think that the fish have decidedly decreased since my arrival here in 1861. This decrease has been most apparent during the past three years. The causes of the decrease are, 1st, the excessive destruction of the fish below the anicut; and, 2ndly, the universal and unrestricted capture of the fry in the river and irrigation channels. |
| 2. Have larger fish been lately captured in the river, or has their comparative size remained unchanged or decreased? | 2. I think that the average size of the fish now captured is less than in former years. |
| 3. Are the fry captured to any great extent in the Goadavery, the irrigation channels, and the paddy-fields? | 3. Yes, the destruction is excessive, and some means for their preservation should be adopted. I would suggest that the superintendents of the irrigation should be empowered to act as "water bailiffs." |
| 4. Are the fishermen better or worse off now than formerly? | 4. The position of the fishermen is unchanged, because (though the amount of fish now captured is less than in former years), the price of the fish has more than doubled. |
| 5. Where are the fish sold which are taken at the anicut? | 5. The fish are sold in the local market, and the portion in excess of local demand is sent to Cocanada, Samulcottah, and Paddapoor. |
| 6. Are any salted and sold? | 6. A small portion is salted, but a considerable portion is preserved by drying in the sun. |

7. In

7. In what months are there most fish?

7. The "pullasa" is abundant in August, September, and October, and sometimes till the middle of November. Other kinds of fish abound in the river above the anicut, and are captured by drag and hand-nets, till the freshes come down in June.

8. What has been the effects of the anicut?

8. The anicut facilitates the capture of fish below it by causing them to collect in large numbers when awaiting a fresh, to enable them to pass over it on their way to the spawning grounds. Since it was raised two feet higher (that is, within the last four years), it prevents the return of the later fry to the sea, and causes them to pass down the irrigation channels where ninety-nine per cent. of them perish either by capture with nets, or by being carried out in the small channels which run into the paddy-fields.

9. Have you heard of the fish being left to decay on the banks of the rivers, if not sold?

9. I have heard that, before my arrival here in 1861, the fish were sometimes allowed to rot, namely, when the supply was in excess of local demand. This does not now occur, as there are great facilities for conveying it by transit boats to Cocanada and Samulcottah. Further, the enhanced value of the fish now causes it to be dried, if in excess of present requirements.

10. Can you tell me if any rent, subsidy, or bribe in any form, is paid by the fishermen to be allowed to capture fish in Rajahmundry; if so, the amount, and to whom?

10. I have heard that fees are paid, but it is very difficult to obtain reliable information.

11. In what months do the fry of the sea species try and go to the sea. Can they cross the anicut; and if not, what becomes of them, in your opinion?

11. The early fry of the sea species begin to pass down to the sea in November and December. There is then some water passing over the anicut, and they can cross it. I believe that after December they cannot cross the anicut, and thus the later fry are compelled to pass down the irrigation channels, where they are captured, or pass into the paddy-fields.

12. If the destruction of fish is excessive, what measures do you consider necessary to be taken to stop it, without interfering more than is absolutely necessary with the fishermen?

12. The fishermen should be compelled to enlarge the meshes of their nets, and small fish should not be captured while the fry are passing down to the sea. Fish passes should be made in every anicut, and all fishing should be discontinued on one day in each week; this would give the fish one quiet day in seven to approach the foot of the pass.

13. Do you imagine any alteration is called for in the size of the mesh of the nets?

13. Decidedly the meshes are too small.

(signed) *Francis Day.*
Rajahmundry, 7 October 1868.

(signed) *J. Murphy.*
Rajahmundry, 8 October 1868.

To the Rev. Dr. Murphy.

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ORDER THEREON, 4th February 1869, No. 306.

1. Ordered, that the foregoing reports do lie over until Dr. Day's concluding report is brought under the consideration of Government.

2. Paragraph 62 of the first Report, and paragraph 34 of the second Report, with the Memoranda of expenses attached, will however, be expunged, and Dr. Day will be requested to address to Government a separate communication on the subjects therein under reference.

(True Extract.)

(signed) *R. A. Dallyell,*
Acting Secretary to Government.

To Surgeon F. Day, M.D.

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## PROCEEDINGS of the Madras Government, Revenue Department, 30th April 1869.

READ again Reports from Surgeon *F. Day*, F.L.S., and F.Z.S., dated September and 17th November 1868, and recorded in Proceedings of Government, 4th February 1869, No. 306.

Read also the following further Reports:—

From the same Officer, dated 1st December 1868.

1. I have the honour to submit my third and comprehensive report upon the present state of the fresh-water fisheries in the Cauvery or Coleroon, the Kistna, and Godavery rivers, near the respective anicuts situated on each, as directed in G. O., No. 1,468, of May 27th, 1868; with suggestions as to whether any, and, if so, what steps appear advisable to be taken with regard to their present condition. I have included in this much of my reports on my two tours of inspection, and have also embodied the inquiries suggested through the Supreme Government, so as to render it as complete and comprehensive as I am able, respecting the fish and fisheries of that portion of Southern India over which my investigations extended.

Country through which investigations on the fisheries extended, and sketch of tour.

2. I left Madras on June 16th by rail for Trichinopoly, where I examined the fishes in the Coleroon, and then proceeded to the Upper Coleroon anicut, 10 miles west of that station and 100 miles from the sea. From thence I went by rail to Tanjore, then on to Combaconum and the Lower Coleroon anicut, 15½ miles from that town and 30 miles from the sea. After I had minutely examined this structure, and finished my inquiries into the fishes existing in the river and contiguous pieces of water, I returned to Combaconum, from whence I marched up the coast to Madras, by which means I was able personally to investigate the state of the fisheries at the mouths of the rivers, and ascertain whether they had, or had not, been affected by the irrigation works. On my arrival at Madras I returned to Arcot to see the Palar anicut, and on September 3rd left by the steamer for Masulipatam, from whence I proceeded by boat to the Kistna anicut at Bezwada, across from thence by canal to the Godavery anicut at Dowlaishweram, and after having completed the survey of that place, on to Cocanada by boat, examining the fry along the canal. On October 15th, I left Cocanada by steamer for Gopaulpore, where I inquired into the sea and fresh-water fishes, and so on to Berhampore, Chetterpore, Ganjam, and Rumbah, where I crossed the Chilka lake, and from thence proceeded to this station, to inspect the present state of the Mahanuddee above and below the anicuts. I have been engaged for the last three weeks completing my reports to Government, and, in the intermediate time, examining into the state of the river, its resources, and the effect of the irrigation works, or causes of decrease in the fish. I mention the route I have pursued, as I wish to point out distinctly the line of country to which my investigations refer. I am also in a position to observe upon the fishes in the Bowany at Mettapollium, at the foot of the Neilgherry Hills, which place I investigated two years since, and reported on to Government.

Fresh-water fisheries and their uses. How fishing may and has been abused in Europe, and the fish disregarded in India by Europeans, where the supply is failing in rivers where there are irrigation works.

3. Fresh-water fisheries are almost universally of considerable value as furnishing an indigenous supply of wholesome animal food, a subject of great importance in national economy, especially as regards the natives of India, many of whom rejecting the flesh of domestic animals will still consume fish, whilst, wherever there are rivers and tanks, the trouble and expense of raising fish is but small. According to the amount of care bestowed on fisheries is the return received, whilst indiscriminate fishing, as we have seen in Europe, may end in the destruction of some, and especially the more valuable kinds of fish. The result in Great Britain has been an enormous expense in ascertaining, first, the cause of the disappearance or decrease of salmon in most of the rivers, and subsequently in re-stocking them by means of pisciculture, and thus rendering the water subservient to the purpose of providing food for the masses of the general population, instead of allowing the destruction of its inhabitants by the constant and indiscriminate capture of the fry. "Every man who catches a fish," says Dr. Franklin, "draws from the water a piece of money," but his drawing, if not in moderation, may continue until none of these pieces of money are left to abstract, and then a failure or stoppage must ensue. In *Gmelin's Linnæus*, it is observed, "so great is the importance of fish to the enjoyment of the rich, and "the necessities of the poor, that man might, with less inconvenience, give up the whole class of birds, and many of the mammalia, than be deprived of the finny tribes." The Indian fresh-water fisheries appear as yet scarcely to have attracted the attention they deserve, which may be partly because Europeans have a prejudice, as a rule, against eating fresh-water fish, whilst native servants rarely bring to the notice of their employers the existence of good species for the table. There is in fact still much to learn in this most interesting branch of zoology, especially respecting what fish exist in our Indian rivers, where, and when to obtain them, for the native names differ according to the various localities and dialects. But setting aside the gastronomic uses of fish for Europeans, it forms a considerable portion of the staple food of some of the classes of the population of India,

India, and in years of scarcity may play rather an important part. It was observed by the late sub-engineer at Dowlaishweram,* himself head of the fisherman caste of that place, "The fish procured at the anicuts in great numbers formed a great part of food to many poor classes of people in the late famine years." Whilst in the report of the Commissioners appointed to inquire into the famine in Bengal and Orissa in 1866, I observe, at page 79, the following observation made by Mr. Ravenshawe, Commissioner of Orissa:—"While the condition of the residents of this place, where my camp is, which is called Nigghur Bulbudderpore, or 'Kentesakee,' is somewhat easier, as living by their fisheries, they are not so affected by the present circumstances"; and in several other places he alludes to the fisherman class in the famine being better off than their neighbours. Of course it is probable that during famines they would first feed themselves and their families, before disposing of their surplus produce. In *Gmelin's Linnæus* it is remarked: "Doubtless the immense multiplication of fish must have a vast effect upon the population of empires, and we may observe how this vast increase tends to maintain, in the kingdom of China, for example, the multitudes of people, heaped as it were one upon another." It appears to be only under very exceptional circumstances that purchasers for fish cannot be found in the local markets; in fact, the reverse usually obtains, that the fishermen are unable to meet the local demands. Every article of consumption appears to be increasing in value, consequently if this rise is not ficititious, the amount of food to be obtained from fresh-water fisheries must yearly become of more importance, as fish live and grow in places which are otherwise unserviceable to man in the production of food, excepting in a secondary manner. Fish do not require food which would otherwise be useful for human beings, and they thrive in situations which, but for their presence, would probably be almost deserted pieces of water. Even natives stock newly-made tanks with fish, in order to render the water more serviceable in the production of food. Every one who inquires into this subject must, therefore, concede the importance of these fisheries, or should there be any who discredit it, and doubt the wisdom of protecting them, I conclude such persons would not consider it any hardship to the population at large, if steps were taken to increase their importance, and make them more conducive to the general good, by augmenting the supply of wholesome food, more especially if this can be done without involving any expense. Were the amount of fish stationary, and not decreasing, any change or alteration would be unadvisable; but in those rivers in which anicuts exist, as I shall remark further on, their decrease is becoming most serious.

* Proceedings of the Madras Government for May 27, 1868.

4. If we turn to Native prejudices, and examine even into their religious or milito-religious customs, we at once perceive that Ichthyology has held an important position even in Asia; of this I will here adduce a few instances. Fish are adored by pious Hindus in some parts of Hindoostan, as they are held typical of Vishnu, who in that form is considered to have rescued the Vedas from the waters of a flood which covered the earth. On the death of one of the Hindu Rajahs of Cochin or Travancore, catching fish is prohibited for three days for fear His Highness' spirit may have gone into one of their bodies. "The cognizance of the Rajah of Benares," says Hooker in his *Himalayan Journal* (Vol. 1, p. 73,) "of two fish chained together appear on the gates of public buildings." The capture of a fish is said to form one of the ceremonies at the marriage of a Konkanie Brahmin in Malabar. The "Meen kodah," or fish standard, was the symbol of the ancient kings of Pandya, the rulers of Malabar; the device may be traced on many copper coins which still pass current in that portion of India. To this day the Rajpoots are said to have a fish carried before their most illustrious chieftain when setting out on an important expedition, Or, if we turn to other Asiatic countries, we even find that the fish was emblematical of the Christian faith, and in many of the ancient Christian Churches, figures of fish may be seen especially on the tiles of the flooring. For the Greek word ιχθυς a fish, is composed of letters, each having a peculiar signification, Ιησυς Jesus; Χριστος Christ; Θεου of God; Υιος Son; Σωτηε Saviour, or Saviour of the world. Hyder Ali enacted laws for the preservation of fish, and only allowed those who paid to capture them; and in the lease for letting the fisheries in Tanjore is an old agreement that one fish in every ten captured shall be released and turned in with his head to the west.

**Religious or milito-religious customs and uses bearing upon fish.**

5. The fishes which inhabit the fresh and brackish waters of India are exceedingly varied in form, and of widely diversified characters. During my tours I have found, as a rule, that where there are large rivers, and means for collecting the fish, I have rarely obtained less than forty species in each locality. Some fishes are more widely spread than others, and although it will occupy considerable space, I consider that it is desired that I should give a *résumé* of the fishes which inhabit the fresh waters of this Presidency, with remarks upon their habits. Some appear to be *local and stationary*, rarely changing their situations, excepting for the purpose of depositing their ova when they ascend small streams, or find their way into contiguous tanks, or otherwise only migrate short distances in times of drought, or of inundations, to escape being washed away. Secondly, we have *migratory fresh-water fishes*, which ascend and descend with the freshes in rivers. Thirdly and lastly, *sea-fishes which ascend rivers* to deposit their ova, or to prey on their weaker neighbours.

**Division of fishes in the fresh waters of India, migratory, non-migratory, and sea-fishes which ascend either for breeding or predaceous purposes.**

6. Of the *local and stationary*, or non-migratory fishes, we have a large number of species. As might be anticipated, their breeding season is not so much affected by the monsoons or freshes as is that of the migratory varieties; for although, doubtless, all

**Non-migratory fresh-water fishes.**

deposit their ova at such periods, there are some which appear to be constantly breeding, as I shall remark upon when I come to that subject. Although there are fine fish in this division, still the smaller ones abound, and make up by constant breeding and numbers for their deficiency in size. It appears to be mostly amongst these genera that we have the æstivating fishes, which, as the tanks dry up, dive down into the mud, where they remain embedded until the return of the rains, when their sudden re-appearance frequently leads to the supposition that they have descended in the torrents. Many of these also remain in small pieces of water, which, it appears improbable from their size, could afford the necessary amount of food for their subsistence; as soon as the rains return they wriggle down small channels and water-courses, and find their way to other and better breeding localities. First, there are the *Acanthopterygii*, or hard rayed fishes, most of which live near the sea coast. There are various species of Ambassis: 1. *A. Commersonii*, C. and V., *Cerumbi*, Tel., *Chandi*, Ooryah; 2, *A. Nalua*, H.B.; 3, *A. Lala*, H.B., *A. Dussumieri*, C. and V. They are small in size, bony, and of but slight value as food, owing to their being seldom numerous and always small; they may be found in tanks, rivers, and even brackish pieces of water. Europeans frequently appear to consider small fish as valueless, because they do not like them themselves, and consequently think them useless, or perhaps only fit for paddy-birds and crocodiles. Nothing can be a greater mistake, as food which is relished by a large proportion of the population, and which if tasteless and bony is still wholesome, must be an object well worthy of attention. If nothing but what is of utility to Europeans and the higher castes, or richer classes of natives, were worth protecting, there are many crops which might be deemed useless. It also appears to be forgotten that many of apparently almost useless little fishes are in reality the fry of larger sorts. The Gobies, *Gobiidæ*, some of which have the curious propensity of building nests at the breeding season, of these we have three species. The *G. Giurus*, H. B., *Oolooway*, Tam., is greatly esteemed by the natives as light and well flavoured; it attains to 1½ feet in length, and is universally distributed over the tanks and rivers of India. The *Euctenogobius striatus*, Day, is smaller and of but little value as food, and the same may be said of the *Eleotris fusca*, Bloch, *Cul Coondallum*, Tamil, *Kalawishi*, Ooryah, which is rarely found far beyond tidal influence; it is small, but not bad eating. The French in the Mauritius consider it excellent. A small percoid fish, *Nandus marmoratus*, C. and V. *Septi*, Tel., *Budusi*, Ooryah, is good eating, but usually only found near the coast, and rarely in any number excepting in Malabar. The *Anabas scandens*, Dald., *Pauni eyri*, Tam., *Cowu*, Ooryah, have been celebrated for climbing trees; they are found in the ponds, rivers, and estuaries of India, especially near the sea-coast. They appear rarely to exceed seven inches in length, and are esteemed for eating by the natives of India; whilst, owing to their great vitality out of water, from being able to breathe atmospheric air, they can be carried alive to distant markets, and the boatmen of the Ganges convey them about in wet chatties, killing them as required. The little *Polyacanthus* is another fish of this family, but too small to be of much use; the same may be said of the *Trichogaster fasciatus*, which abounds along the coast from Cocanada upwards, and is dried in the sun for food. But amongst this division of fresh-water fishes are the walking fish, *Ophiocephalidæ*; the *Ophiocephalus marulius*, H. B., *Pooverarl*, Tam. *Phool murl*, Hind., grows to three or even four feet in length. The *O. Striatus*, Bloch, *Verarl*, Tam., *Sowarah*, Tel., *Sola*, Ooryah, grows to three feet or more in length. The *O. Gachua*, H. B., *Para korave*, Tam., *Dheri dhok*, Hind., *Chenga*, Ooryah, grows to a foot in length. The *O. Punctatus*, *Korava*, Tam., *Phool murl*, Hind., *Gorissa* or *Gurrie*, Ooryah, grows to about one foot in length; all these are exceedingly valued as food. They have hollow cavities in their heads, and an aerial as well as aquatic mode of respiration; thus they can live long periods out of water, and travel some distance over moist pieces of land. They abound in almost every tank throughout India, also in sluggish streams, and to within the influence of the tides; whilst one of them, the *O. Marulius*, seems to prefer more rapid rivers. In China, the fishermen are said to take them alive to market, and cut off slices as required for sale, and so long as the fish retains life the value is greatest. Some of these fish live in holes along the banks of rivers, apparently the abandoned residences of crabs. There are also the fresh-water spined eel, *Rhyncobdella aculeata*, Bloch, *Aral bommiday*, Tel., *Thuri*, Ooryah, a spined eel, growing to about 12 inches in length. The *Mastacemblus armatus*, Lacep, *Barua*, Hind., *Cul aral*, Tam., *Mudi bommiday*, Tel., *Bumri*, Ooryah, is found all over India. The *Mastacemblus pancalus*, H. B., *Pahparaal*, Tel., *Bahrn*, Ooryah. These nearly approach eels in their habits, and places of residence. They are also excellent as food, although somewhat rich, and by some considered heating. The largest variety is spread throughout the rivers of India, and is also found in some tanks. They can all exist for a long period after their removal from the water. Also along the coast there is a laterally flattened fish, the *Etroplus suratensis*, Bloch, *Karssar*, Tam., *Pital kas*, Hind., *Cundahla*, Ooryah, which grows to a foot in length, and the *Etroplus maculatus*, Bloch, a coast fish, found as high as Madras, and of small size. They are both much esteemed when sufficiently large. Such are the hard rayed, or spinous fishes. We have also the siluroids, or scaleless ones, the following of which appear to be non-migratory:—The scorpion fish, *Saccobranchus singio*, H. B., is esteemed for eating by the natives, and praised for its invigorating qualities; but it is dangerous to handle, as wounds from its pectoral fin set up intense inflammation, which sometimes ends in lockjaw. Mr. Taylor, at Cuttack, informs me that the natives of Upper India stock their tanks with these fish, in consequence of their being such very rapid breeders, and he has seen tons in weight taken from

from a moderately sized tank. He also, on one occasion in the North-West Provinces, saw a dry tank dug up, on the bottom of which the earth had caked and cracked on the surface, and yet five feet from the crust many of these fish were found alive, æstivating in the soft mud. The butter fish, *Callichrous chekra*, H. B., which is considered excellent eating by all who have tasted it. A large cat fish, *Macrones aor*, H. B., tasteless and insipid, but much prized by the natives; and some other smaller species of the same genus, as the *Macrones cavasius*, H. B., and *Macrones tengara*, H. B., which are equally fit for domestic uses. Whilst further to the north, as in the Kistna and Godavery, the number of Siluroids commences to increase, and the *Rita katurnee*, Sykes, and the *Bagarius yarrellii*, Sykes, form no inconsiderable articles of food. It is also exceedingly interesting to observe the great size to which these Siluroids attain in rivers, such as the Mahanuddee, where the anicuts have not as yet occasioned the great depopulation of the rivers, which is seen in some parts of the Madras Presidency. The Mahomedans to the north are not so particular in rejecting these scaleless fishes as articles of food as they are in the south, whilst commencing from the Ganjam country, as far as Cuttack, I find that the Hindus as a rule, including the Brahmins, all eat fish. There is an interesting account which bears on this question, given by Major R. Leech, C.B., late political agent of Candahar, in his account of the Hazarah. Having procured some fish by dragging the river, Major Leech remarks:—"Observing in the crowd of spectators the village Mulla (who are generally half read), who evidently regarded us as cannibals, I inquired why they did not eat fish, he replied he could not tell me, but it was undoubtedly lawful food. A good stock of fine fish being now laid before us, I begged the Mulla to make them lawful eating; this he ought to have known could be done by merely dashing the live ones thrice to the ground. He, however, looked disconcerted at my request, and hesitated. After a short time, during which we all kept our countenances, he called for a knife, and was about to cut their throats, when I suggested the stomach was the proper place, and he actually, after pronouncing his solemn 'Bismillah allah Ackbar,' went through this first part of a cook's duty."

But the *Cyprinidæ*, or carps, give many species of non-migratory inhabitants of rivers and tanks. This family includes many species which migrate for breeding puposes, but the following appear to be stationary:—The *Catla buchanani*, C. and V., *Botchee*, Tel., is a magnificent carp, which, though bony, is most excellent eating and light of digestion; it inhabits the rivers and tanks of the Godavery and Kistna districts, and the whole country northwards through Bengal. It grows to six feet in length, but the larger ones become rather coarse. Mr. Clelland observes that "there is no species of more importance than this in an economic point of view." It accommodates itself to fresh or brackish waters, rivers, or tanks, and is, therefore, capable of introduction without much difficulty. At Cocanada, as I have observed, there is a tank which had not been netted for two years, and from this, at one haul of a seine net, we captured 27 large fish of this species, varying in size from five pounds to nine pounds in weight, besides an enormous number of small fish. The botchee is said to refuse baits, but evidently rises to the natural flies. It is found at Masulipatam, from whence it might be exported by steamer to Madras, and from thence by rail be conveyed to the station before Erode, and there turned into the Cauvery. It seems peculiarly adapted for irrigation channels and tanks, breeding rapidly, and attaining about five pounds in weight in the course of two years. Of the barbels, in which I include the whole genus as defined by Günther, there are many species which are also apparently non-migratory, and are spread throughout the tanks more especially, but also in the rivers of India. Small though some of them are, and notwithstanding the reputed bitterness of two of the species, natives are always ready to purchase them, and include them in their curries. The most minute species are prized, whilst, as I shall subsequently show, it is fortunate that the ova they deposit are large in number. A *Thynnichthys* is also plentiful in the Kistna and Godavery, and attains a good size. Besides these, there are numerous small species, which make up in numbers for their deficiency in size. The *Rasboras*, or Indian minnows, are found in some localities, but in others are superseded by the *Perilampus cachius*, H. B., or *Aspidoparia morar*, H. B., the *Muria danric*, and the *Amblypharyngodons*; besides which there are the *Danios*, the *Barilius*, and *Rohtees*, the last genus only existing to the north of Madras, and some of the others having a very local distribution. The *Chela*, in one or other of its species, is found everywhere, and though small, is invariably good eating; and, lastly, amongst the carps, are the loaches, which are also, though small, much esteemed as food. Amongst the *Clupeidæ* is the *Notopterus*, one species of which *N. Kapirat*, Lacep, is common all over the Madras presidency, and the other, *N. Chitala*, H. B., is also found in the districts north of Ganjam. In addition to these there is one eel, the *Muræna maculata*, H. B. These are the common fresh-water non-migratory fish, which I have obtained in my late tours. The smaller fish, as a rule, are more relished by the natives of Hindoostan than the larger species, whilst, besides their being employed as food, they are also exceedingly useful in affording sustenance to the larger fishes; but unfortunately amongst these small fishes the fry of larger ones are destroyed in numbers.

Migratory fresh-water fishes.

7. Secondly, we have the *migratory fresh-water fishes*, which ascend and descend the rivers at the time of the freshes. They are, as might be anticipated, generally larger and stronger than the non-migratory. The monsoon months, or during the freshes, are their breeding seasons, and at these periods thousands may be perceived trying to pass the weirs to reach their spawning-beds. Amongst them we do not appear to have any

acanthopterygians, or spinous rayed fishes, whilst even in the Siluroids it is only the large wahlah, *Wallago attu*, which appears to be affected by the freshes; and even this species is found in places where it is very evident it cannot change its locality, still it must be considered one of the migratory kind. All the fishermen declare that the migratory carps which ascend the Cauvery in the June, or south-west monsoon, return down the river again during the north-east monsoon, or about October, and that it is at that period the largest fish are taken. Of this I can give no statement from personal observation, not having been there at that time; but it is not improbable. Amongst the carps we have a considerable number which are affected by the monsoon, and at the periods of the freshes change their localities. One species of *Cirrhina* grows to about four pounds in weight, and though in common with all the carps, bony, is fair eating, and moderately abundant. Two smaller species of *Crossocheilus* are numerous; but it is amongst the *Labeos* that the largest and most useful forms are taken. The *Labeo fimbriatus*, Bloch, and *L. Kontius*, Jerdon, are exceedingly plentiful in the Cauvery, and at times are procured of a good size, though it is the fry and immature which are most frequently seen. Some of the smaller forms of *Barilius*, as the *B. Cocsa* and *B. Bendelisis*, also appear to migrate at breeding seasons.

**Migratory sea-fishes ascending to breed or prey upon their neighbours.**

8. Thirdly, and lastly, we have sea-fishes which ascend rivers to deposit their ova, or to prey upon their weaker neighbours. There is one of the Sciænidæ, *Sciæna coitor*, H. B., which, however, does not attain a large size, though it is considered good eating by the natives. Also the mullets, *Mugilidæ*, of which several species ascend far beyond the extent of the sea water for breeding purposes, and are excellent as food; but pre-eminent amongst these fishes, both in number and in value, is the *Sable fish*, which has received various names in different places. Thus in Bengal it is termed the *Hilsa;* in Tamil, the *Oolum;* in Telugu, the *Pulasa;* and according to Westmacott, the *Pulla* in Scinde, the *Dumra* in the Indus, and *Roree* in the Ganges. Since the construction of the anicuts in the Telugu districts, the frantic but unsuccessful efforts of this fish to try and ascend over these impediments has obtained for them the name of *Yekkudi chakka*, from the term "yekku," meaning "to climb." It swarms into the rivers opening along the Coromandel coast as the freshes of the south-west monsoon pass down to the sea, their season for spawning being coincident with that period. Some few, however, appear to choose the end of the year in the Kistna for this purpose, why it is not quite clear; but it appears most probable that they do so because the current of that river is exceedingly rapid, and probably as a rule unfit for the deposition of eggs until the great rush of the freshes have ceased, as is the case in November or December. This fish is greatly esteemed by every one; it is only the existence of its numerous sharp \/ shaped bones which makes it somewhat dangerous to eat, but by proper carving this may be obviated; in fact, it is said to have been an indispensable requisite that the aide-de-camp to the general commanding the southern division should be able to carve a sable fish! but now there is no necessity for this accomplishment, as the anicuts have entirely prevented their ascending the Coleroon as far as Trichinopoly. Even the natives have a saying which shows their appreciation of this fish: "As long as you have money, purchase a sable fish, that being the best "for the health, and the sweetest obtainable for the palate." At the Lower Coleroon anicut the contractor estimated the value of the sable as six-sevenths of the entire fishery. At Bezwada, Mr. Stuart estimated the yearly value of the captures at the anicut at 7,800 rupees. In taking the sable constant netting should not be permitted, as is the case in the Kistna and Godavery; but on the principle in use in the Coleroon, the fishing should only be once daily, and the river kept as quiet as possible. All fishing for small fish is stopped there during the sable season, and this is a most fortunate chance for the fry of the fish, so that, with a good pass in the anicut, I expect most satisfactory results would follow. The sable fish, for the purpose of depositing their ova, ascend high up the river to situations where the sudden rise and fall of water will neither leave the eggs dry nor carry them away, and these portions of the river do not occur below any of the large anicuts, though sufficient spawning grounds are now found between the Lower and Upper Coleroon anicuts. At Dowlaishweram, at the only Madras anicut at which I took the fry, it appeared that the earlier ones were trying to descend to the sea in October, but unable to cross the anicut were finding their way down the irrigation channels. Now if unable to cross these obstructions, and they go down the channels which have no communication with the sea, they must all perish. Even when communication does exist the difficulties may be so great that only a small proportion survive to reach the end of their journey. Young fish, when they are ready to descend to the sea, seem to endeavour by every means in their power to pass all obstacles and go down stream; finding that at Dowlaishweram the anicut is a complete bar in that direction, they descend in to the irrigation canal; when a lock is opened to let a boat pass, continuing their course down stream, they reach another lock, their heads still being pointed seawards, and when these gates are opened, they again pass through and descend. This is easily proved by their being netted at those spots in numbers, but still some reach the sea. I beg to call especial attention to this fact, and that I took the fry at the Cocanada or last lock; for it is on this principle that I shall propose to construct an entirely new form of fish pass. If the young cannot descend to the sea either by the irrigation channels, or by other means, they would be constrained to remain in the water until the freshes of the succeeding year. Whether they would live through a whole season if thus prevented reaching the sea, is questionable, but arguing by what occurs when

when salmon fry are so prevented, I should imagine they would, still it is highly desirable that such detention should be avoided if possible. Mullets ascended the Coleroon when the lower anicut was breached, but now it has been repaired, none are found above that structure, either they returned down the next year with the freshes, or perished from being unable to go to the sea. During my investigations, I found no young sable in the Cauvery or Kistna rivers, nor in the Godavery below the Dowlaishweram anicut. That this fish is exceedingly valuable in an economic point of view as food may be at once concluded from the fact, that at the Lower Coleroon anicut it is estimated that one lac of fish is yearly captured, whilst all are sold. Should this species of fish be exterminated it would be most expensive to re-introduce them, as such could probably only be accomplished by means of their ova being collected and brought in ice by rail to the Cauvery. But the eggs are minute, and few in India understand the process of collecting and fecundating them, so doubtless the cheapest thing to do will be to protect the fish now when we have them, and to promote their dissemination as much as possible. I cannot help thinking that the whole agreement in Tanjore to release one in every ten fish, and turn them in with their heads to the west, must have had a Hindu origin, either with a view to obtaining the favour of the deities, or else because the river was becoming depopulated, and it was considered necessary to keep up the breed. I will subsequently enter into the reason why the Oolum fish congregate at one spot, and the effect of the anicuts upon their migration. Besides these species there are a few other *Clupeidæ*, but only small species, and a pipe fish, *Sygnathus*, whilst the saw fish, *Pristis semisaggittatus*, a shark, and many other large predaceous kinds, ascend the rivers apparently in pursuit of their smaller neighbours. Amongst these I have found at Cuttack, in the Mahanundee, below the anicut, the *Begti*, or cock-up *Lates calcarifer*, Bloch, which grows to a large size; a ray, *Trygon uarnak*, and a *Tetrodon*. These on being dissected, have invariably been found to contain fish inside them.

**Value of fish in the markets now, in comparison with former years**

9. The question of the value of fish as food, in a pecuniary point of view, is material in an investigation of the present state of the fisheries. During the past 10 years, articles of daily consumption have become much dearer. Evidence to prove this can hardly be required, or, if necessary, the range of prices, published in the *Fort St. George Gazette*, will be sufficient for that purpose. If all articles of food have risen in price, it is unlikely that fish would remain stationary, and, in fact, in my late investigations, I have found that its price has increased of late years, in the same proportion as other kinds of animal food. In Rajamundry, for instance, it has almost doubled since 1861. Now, if the value of fish as an article of food has risen, this must be due, either to the increase in the general value of food to augmented cost in the capture of fish, or to a decreased supply in the rivers. It has already been taken as granted, that the cost of animal food has augmented, and this is, doubtless, one cause of the rise in the price of fish. As regards the cost of capture, as cooly hire has increased, this must also act in two ways in raising its value, first, by increasing the rates for the labour employed in its capture; and, secondly, by the fact that the general population being richer can afford to expend more on this variety of diet than was previously the case. It can hardly be due, in the Kistna and Godavery districts, to a rise in the rents, as they have been abolished in these districts, and since that period (1862), the rise in price has been most apparent. Thus we come to the question, have the fresh water fisheries of this Presidency increased, decreased, or remained stationary of late years?

**Value of fish farms, and want of information respecting them**

10. Unfortunately, from not having received the returns respecting the rents of the fisheries of each talook from any of the collectors to the south of Madras to whom I applied for them, I am debarred from entering fully into one portion of my investigations. It appears to me of considerable importance, that, in this inquiry, returns should be called for from every talook, giving the increase or decrease of rents for fisheries in all rivers and tanks, they being separately shown. But it apparently requires an order of Government to obtain such returns, which, perhaps, should be given even more fully than those I previously requested, as I shall subsequently remark upon. It would be almost necessary to ascertain, provided the river fisheries have been let annually by public auction, what has been the effect of the irrigation works upon the value of the fish farms higher up the rivers towards their sources. I have obtained from each tahsildar of the talooks I have personally visited a return of rents received, which will be available for the purposes of a preliminary investigation. If the fisheries are not diminishing, the rents should rise in amount in a corresponding ratio with animal food, provided they are let annually by auction. But I find that annual lettings have not been invariably the rule; in some places fisheries have been permanently let, in others for long periods, whilst in some districts remissions appeared to have been freely allowed, and in other adjacent districts these have not been permitted. Again, I have found that for years, as at Tindevanum, the rent has remained exactly stationary. Sometimes the excuses urged for remissions were that there had been too little rain, whilst in other adjoining places there had been too much; this is only, I imagine, to be obviated by their being let annually; for I was unable to ascertain that any fisherman had discovered that he had made more than was anticipated, and had handed over any increased rent, at least to Government. It thus appears that local circumstances must be inquired into. What the annual rise should be I cannot state, as figures are wanting, and more complete investigations are necessary. In the Ganjam district, after the abolition of the Moturpha tax, rents were demanded, and with the following results:—

| 1865–66. | | | 1866–67. | | | 1867–68. | | |
|---|---|---|---|---|---|---|---|---|
| RS. | A. | P. | RS. | A. | P. | RS. | A. | P. |
| 1,432 | 2 | 8 | 4,296 | 6 | 0 | 4,381 | 4 | 0 |

This gives a gradual annual increase, and that without any apparent diminution in their productiveness, and this increase has been steady in all the various fisheries of the district whether in rivers, fresh or salt-water tanks, or swamps. At the Kistna anicut, the rents have decreased in the same period,

| 1866. | | | 1867. | | | 1868. | | |
|---|---|---|---|---|---|---|---|---|
| RS. | A. | P. | RS. | A. | P. | RS. | A. | P. |
| 136 | 0 | 0 | 100 | 0 | 0 | 110 | 0 | 0 |

But there is an increase in the general receipts for sluices, which before unlet are now farmed out, and as the irrigation works advance, the extent of these farmed out portions should, doubtless, be also increased. In the Trichinopoly Collectorate the general rise has been above 50 per cent. in the last seven years, and though I have not been able to ascertain what portions are included in this return, I believe most of it to be tanks. In Tanjore, again, the same rise appears to be going on.

| | RS. | A. | P. |
|---|---|---|---|
| In three years ending 1862–63, rents were - - - | 18,206 | 12 | 0 |
| „ „ 1867–68. „ - - - | 35,312 | 1 | 0 |

Whether this rise is due to increased value of the fish, or to a diminished supply, is a question for consideration, and one on which, owing to deficient information, I can give no opinion.

The Cauvery river and its distribution. Its fisheries decreasing in value, and fry being destroyed.

11. In short, the figures I have hitherto obtained fail to be of much assistance in this part of the inquiry, and it is therefore necessary to demonstrate the state in which I found these fisheries at various places, with the opinions of the inhabitants as to their present condition. My investigations of rivers were chiefly directed to the state of the Cauvery and Coleroon to the south of Madras, and the Kistna and Godavery to the north, more especially with reference to the effects of the anicuts on their piscine inhabitants. The Coleroon I examined at Trichinopoly, situated between the Upper and Lower Coleroon anicuts, at both of the above anicuts, and also at its mouth. This river at its various sources in the Western Ghauts, and from thence to its termination, a distance of nearly 500 miles, is principally replenished by the south-west or June monsoon, as it reaches the Coimbatore district, and from thence to the sea it receives a large amount of water from the October or north-east monsoon; consequently from the beginning of June to the end of December, it is always more or less full, and subject to floods or freshes rarely exceeding 10 feet in height, but which have been known to rise as much as 12 feet; at these periods, the river, previously a sandy shallow bed, becomes filled, and assumes the character of a rapid and impetuous torrent. Above the Island of Seringham, it is termed the Agunda or broad Cauvery, and is 4,400 feet wide, but at that point it divides into the Cauvery Proper, 2,000 feet wide, and the Coleroon, 2,400 feet in width. The first named river is the narrowest, the most shallow, and is principally distributed in the Tanjore district, where it gradually diminishes in size in its course of 100 miles; whilst the latter is termed the Coleroon, and is the deepest, having at its commencement a weir or stone dam, or wall, which has received the Native name of "annicutta," or anicut, whereby a large body of water is diverted into the Cauvery Proper. Thus the Cauvery has no anicut between its division from the Agunda Cauvery and its termination in the sea, by which time, however, it has diminished to a quarter of its original size by giving off four large branches, which are distributed in the province, so that on reaching the ocean, it has dwindled down to about seven yards in width, and during heavy freshes it is only about four feet deep. The consequence is that large sea-fish do not pass over the bar to ascend its stream; therefore should any find their way into its waters, they would have to come up the Coleroon and into the Cauvery at its division. But across the Coleroon is the lower anicut, which entirely precludes the ascent of fishes; consequently sea or estuary fish are, as a rule, absent from the Cauvery, and upper portions of the Coleroon. I examined this river, or branches of it at Tanjore, Combaconum, Myaveram, and Sheally. At Tanjore there were complaints of a deficiency of fish, and a yearly decreasing amount in the branches of the Cauvery river, and the same remark applies to Combaconum. At Myaveram, the largest and best fresh-water fishes are of the migratory kinds, (paragraph 7,) which mostly appear in the rivers at the time of the freshes: of late years the numbers are stated to have much decreased, and as a consequence the rents have fallen. I obtained the returns for seven years; the average yearly receipts for the first four were Rs. 1,065–4, whereas the yearly rents for last three years have averaged 864 rupees. At Sheally, I found the same complaints of the decrease both in the number and size of the fish. I personally inspected all the rivers I was able to, and during the whole of this portion of my tour, I observed the indiscriminate destruction of young fish. Small water-courses are crowded with fry, and, whilst being used for irrigation purposes, are

are also made subservient to the capture of immature fish. A basket is placed wherever water is being thrown, it passes through, leaving the fish which have accompanied it in the basket. It must not be concluded that the number thus taken is small. Millions of fry perish, and are used as food by the cultivators of the soil. Even children may be seen surrounding a piece of water, and catching the fry in their cloths, whilst fishermen with cast nets are employed in the same occupation. But the means and modes of destruction I will allude to when coming to that portion of my subject.

The Coleroon river, its anicuts and the state of the river fisheries.

12. The Coleroon, as already observed, becomes the main channel of the Agunda Cauvery, and continues its course direct for about 100 miles to the sea. I examined it at Trichinopoly, at the lower anicut, and near Chellumbrum, in an extent of nearly 100 miles; this gave me an excellent opportunity of inquiring into its present state, and personally observing the effects of the anicuts. The upper anicut* was erected in 1836, and finally completed in its present form and height in 1843; thus for 25 years it has existed as a barrier across the upper portion of the Coleroon river, cutting off its fishes from the upper 400 miles of its course. But it must be remarked that there is no impediment to fishes ascending by the Cauvery channel, which communicates pretty freely with the Coleroon even below the upper anicut. The fishes in the river, however, are exceedingly few, whether at the anicut or even at Trichinopoly, in fact as low down as the Lower Coleroon anicut which spans this river. At Erode, I should suppose 100 miles above the upper anicut, I made inquiries respecting the fish in the Cauvery river near that railway station, and was told that they had almost entirely disappeared, and that the river had become nearly depopulated. It would be exceedingly instructive to ascertain what rents have been received for the last 30 years in this portion of the river, as they would show whether the report of this failure is correct or not. I applied on July 25th 1868, to the collector of Coimbatore for such a statement, but his answer appears to have miscarried, as I have not received any. Prior to the erection of the lower anicut, the sable fish ascended as high as the upper anicut, and they are known to have been captured formerly even miles above the place where that barrier now exists. Subsequently, however, to the construction of the lower, they have never ascended as high as the upper anicut, excepting during a breach which occurred in the former a few years ago, when they immediately reappeared, but since this has been repaired they have not been taken. As regards the general state of the fisheries the inhabitants all admit that they never knew so few fish, whilst the decrease is rapidly year by year becoming more apparent, and the river more and more depopulated. Large fish are now very rarely taken, which used not formerly to be the case. I personally saw thousands of fry captured by cast and other nets. It was perfectly useless pointing out to the natives that, if the fry were thus destroyed, they could not expect subsequently to obtain large fish; the only answer was, that if they did not kill them some one else would, as there was no one to look after them, the contractor having failed, and they liked little fish which were still cheap. At Trichinopoly I found the same state of affairs; the amount of fish taken from this river, and daily brought to the bazaar is most insignificant; I should say one cooly could easily carry the whole of them, whilst formerly the yearly captures of sable fish at or near this station is computed by the fishermen to have been two lacs, or double what is now admitted to be taken at the lower anicut, which now prevents their ascent. In fact near the lower anicut it is not considered worth while fishing with nets above that structure, whilst below it netting is most remunerative. Undoubtedly the best fishery on this rivery is at the lower Coleroon anicut, 15 miles from Combaconum. In this portion of the river, and from it to the sea, the fishing for sable was very immaterial until after the construction of the anicut, when it immediately increased and has been carried on to a considerable extent ever since. When the anicut was first constructed the sable were taken in great numbers below it, and though the fishery has continued up to the present time, and the rents have risen, the contractor attempts to show he is farming it at a loss. When the breach occurred in the anicut the fishery was evidently much diminished below the anicut, but some sable were taken above it, showing the reason to be that their ascent was no longer entirely impeded. Since that time it is admitted that the numbers have greatly increased, doubtless from their having had one full season in which to deposit their ova. Other sea-fish are also detained by this structure. At Chellumbrum, still lower down this river, the accounts were the same, that the sable fishery began there coincident with the erection of the lower anicut, whilst for the last two years it has improved owing to the breach having taken place.

* Described in Report No. 1.

The Palar anicut.

13. The Palar anicut at Arcut is not worth alluding to here, as the river is *frequently* dry, and sea-fish do not ascend it in any numbers, in fact for upwards of a year previous to my visit water in any quantity had been absent.

The Kistna river and fisheries.

14. The Kistna river at Bezwada is 1,350 yards broad, across which stretches a wide anicut. Below this I found that sea-fishes ascend, but otherwise the numbers of migratory and non-migratory fresh-water fishes were but small and insignificant for such a fine expanse of water. The sable fish comes up here at the end of the year, and I found a few in September, evidently just proceeding up the river to deposit their ova. It appears that, for two years after the erection of the anicut, the sable were captured in large numbers, being unable to continue their ascent past the weir, whilst previously their range had extended fifty miles above Bezwada; so great were the captures that at first not only were the whole of the fish-eating population supplied, but a large quantity were salted and sent elsewhere for sale. As the freshes subsided in December and January,

those fish which still continued attempting to ascend over the anicuts became entangled amongst the rough belt of stones at the rear (sea-face) of the anicut, and in the early mornings and at night time when the fishermen were not employed in catching them, the wild animals, such as jackals and the like, took their share, assisted by the pariah dogs which came down and destroyed numbers. Since these two years there has been a gradual diminution of sable as well as of all other kinds of fish, whether strictly fresh-water or partially marine, whilst the fishermen complain that they cannot now supply half the local demand. Whilst they abuse the anicut as the cause of this, they will not perceive that they are doing quite as much mischief by destroying the fry, and that it is their doing that the fish are thus taken and reduced in such great numbers. On personally investigating the state of affairs, I saw little boys sent out to fish, whose duty it was to bring home a daily supply for their families, the size being no object, and a sufficient quantity the only criterion, the stimulus of a threatened beating from their mothers being added to prevent any laziness. Hundreds of small fry are thus daily destroyed by the nets of each of these little urchins, whilst the adult fishermen also assist in this work of destruction. Above the anicut, or in the irrigation canals, sea-fish appear to be entirely absent, conclusively proving that they can neither pass over the anicut or under the sluices. In fact the river above the anicut is in a miserably depopulated condition, although the fry of excellent and large non-migratory species exist in its waters only requiring time and opportunity for developing into large fish. Unless a fish pass be erected, the fishery of the sable will be destroyed.

**Godavery river and the state of its fisheries.**

15. Across the Godavery is the magnificent Dowlaishweram anicut, four miles in width, including the lunkas or islands. The large station of Rajahmundry being on the river a few miles above it, I there first commenced my inquiries. Before the construction of the anicut, marine species of fish were by no means uncommon as high as the town of Rajahmundry, but now they have become comparatively rare, whilst large fish are of very unfrequent occurrence above the anicut. Anglers complain of having no sport there now, whilst the price of fish appears to have risen above 100 per cent. during the last seven years. Still, I found a few sable fish and their fry opposite to and above the town; also the *Sciæna coitor*, distinctly proving that marine species may and do ascend the river. The Rev. Dr. Murphy, who has resided there for the last seven years, and has paid much attention to the subject, considers that they have decidedly decreased, which decrease has been most apparent during the last three years. At Dowlaishweram the fishermen state that the number now captured is far inferior to what it used to be, and they consider the fisheries evidently decreasing since the construction of the anicut. They assert that they could sell three times what they now take without the slightest difficulty. Here I observed, as at the other rivers, the fry and immature fish being captured in myriads, and as any lad can capture a considerable number, this keeps down the price of the better sorts of fish, for no native will buy good large fish if he can get enough of the fry without payment. Doubtless, prohibiting this destruction would temporarily raise the price of the article, but it must lower its value in two or three years subsequently. The fishermen apparently will not suggest anything being done, as they do not wish attention to be drawn to the fishing for fear rents may be imposed.

**Tanks and their fisheries.**

16. In tanks, the number of fish appear to vary greatly in different years; evidently this has some connection with the monsoon of the previous year; and whether sufficient water has fallen to fill up the tanks, so that the various molluscs may come out of the surrounding mud, and become their prey. Amongst them there are many luscious morsels for fish, such as the ampullariæ, or apple snails, and other allied genera, which, in dry seasons, never emerge from the earth, where they remain in the dried-up mud with their shells securely closed, until a rainy season sets in. Should the season, therefore, prove dry, and the tanks continue only half filled, the fish which inhabit them appear to lie close under weeds, or in sheltered places, and are consequently captured with great difficulty. But in this rapid tour of inspection I had no time to visit, as I should have wished, many of the various tanks, excepting in the Ganjam district, where there are no complaints of any decrease of fish. To the south of Madras there was a general complaint that the tank fisheries were less valuable than formerly. As many of the tank species are migratory, only retiring to these places during the dry season, it is not improbable that they have been affected in a primary or secondary manner by the irrigation works in localities where there are anicuts across rivers.

**The state of the fisheries generally in rivers which have anicuts across them.**

17. I think it may be considered without doubt a correct statement that the fish of the Cauvery or Coleroon, the Kistna, and the Godavery, are much less numerous above the anicuts than they were prior to their construction. That the marine species, as the sable, which come up to deposit their ova, have also decreased below these obstructions. Also, in many tanks in the irrigated districts, it is well authenticated that fish have diminished in numbers. It appears undoubted that, although large fresh-water fish may be and are taken above anicuts, they are much more rarely obtained in such situations than formerly. It is also unquestionable that towns which possess a fish-eating population situated on rivers above anicuts, cannot now be supplied with fish in sufficient numbers to meet the local demands, and even in towns where there are anicuts, as over the Kistna and Godavery, the local demand is above the supply. As the rivers fall, some fish are left in the pools below the anicuts, where they are destroyed.

**Causes which have produced destruction of fish.**

18. The causes which have produced this general decrease of fish in the irrigated collectorates,

lectorates, have been laid solely to the effects of the anicuts by some of the fishermen, and as the decrease is most apparent in such districts, we must at once perceive that they have some bearing on one another, especially as this diminution is universally asserted to be coincident with their construction. But after minute personal investigations, I cannot admit that these anicuts are the sole cause of the destruction going on, for fish (although not so freely as previously) are still able to cross the Dowlaishweram anicut, but the diminution above that structure is very considerable. It appears to me that the principal reason for this decrease of fish is that the fry are taken in excessive numbers, owing to the minuteness of the size of the mesh of the nets employed. That irrigation works act deleteriously by more or less checking the ascent of fishes to their spawning grounds, and so preventing or decreasing the production of young for future years' supply; and they also cause great destruction by producing an accumulation at the places where the obstacles occur, and thus assisting men and other predaceous animals to capture them in numbers; whilst they also impede or prevent the descent of the fry to the sea. Lastly, I believe the system of indiscriminate fishing to be most disastrous to the fresh-water fishes of this presidency.

Remarks on the destruction of fry or immature fish.

19. One cause is without doubt the destruction of the immature fish, or the fry which is carried on to an excessive extent. This must be patent to the most casual observer who travels in India during the monsoon months, or when local irrigation is going on. I have already alluded to this subject, under the head of the Kistna river (paragraph 14). In the Godavery I observed the same destructive process, whilst at Bezwada, having purchased nine pie worth of sun-dried fish, I found upwards of 200 small ones, and I was subsequently informed that both at this place and at Ellore several persons support themselves by capturing these fry, drying them in the sun, and disposing of them. At Combaconum, I sent out some fishermen for two days to see what specimens they could collect for me, and during that time they brought me upwards of 5,000 young fish, these being, as they informed me, the quality they were capturing in and near that station. But it is useless to multiply examples. Down the irrigation canals, at the various locks and impediments made for the purpose of diverting water, young as well as adult fish are impeded in their passage, and, whilst waiting for the means of passing the obstruction, become the prey of the fishermen, who there take them in thousands. The destruction of the fry is one, if not the chief causes, of the decrease of adult fish, the small size of the nets employed capturing everything they inclose.

Remarks on anicuts and their effects on the fish supply.

20. Anicuts and irrigation works, in general, by impeding the progress of fish, obstruct and detain them at spots where they are subject to destruction in many was; but here it will be necessary to advert to the various anicuts as each differs in construction. I must premise that sable fish cannot, especially when in roe, jump great heights, neither can they ascend gentle slopes, if the bed of the stream is very rough, and the current strong. Neither will they rise to go over perpendicular walls, even when those walls are covered for several feet with water, at least when the current is strong, nor will they proceed by bye-channels; whilst it must be remembered that the young require to descend when the river is low. The Upper Coleroon anicut crosses the river about 100 yards below the division of the Agunda Cauvery; it is 750 yards broad, and divided by a small island, 650 feet wide, into two portions. The height of the barrier to the passage of water rises perpendicularly from five to seven feet above the bed of the river, with a substantial apron of cut stone in its rear (sea-face), which for 38 feet next to the anicut is perfectly smooth. The anicut has numerous under-sluices, consisting of vents of from six to nine feet in width. The centre of one portion of the anicut is one foot lower than the rest, but may be raised by means of planks, to the same level. As the freshes or floods come down the river, the migratory and marine species of fish ascend for the purposes of breeding, but none of the latter ever reach this anicut now. Also, if the vents are opened, and an increased rush of water is permitted, the ascent of fish may be at once seen to occur. This anicut is crossed by a bridge, and standing on this, I have frequently seen both large and small fish leaping up against the anicut wall, vainly attempting to surmount it. Some of them strike against the piers of the bridge, others fall into the cascade below, but none cross the obstruction; they leap until they are too fatigued to leap again, and when they are taken in nets they are usually, if large, found to be greatly bruised, and in many places scaleless. When very high freshes occur, so that the water above and below the anicut are nearly on a level, fish *might* pass over the wall, but this appears to be of rare occurrence. The under sluices are more on a level with the bed of the river, and it has been surmised that fish pass up them. Perhaps it is not impossible (but I believe it to be so) that a large strong fish, not heavy in roe, might thus ascend, but a breeding fish in roe could not possibly do so; some males and barren females alone *might* if very strong. The sluices are closed when the water is low, and only open when the floods are coming down, and it appears to me that the cause which has led to the belief that fishes go up the under-sluices, is that they may be caught in them when they are closed, and that directly they are are opened, the fish swarm up the river to their mouths. But the very use of these sluices is to force the water down with the greatest impetuosity, in order to keep the bed of the river clear, and prevent its silting up; consequently in these narrow passages. where sand and even stones are carried down with a terrific rush, it would require fish, stronger, I believe, than any existing in the Coleroon, to pass up such torrents. Below the anicut a pool becomes formed, and as the river dries up in the

hot season, the fish which are constantly and fruitlessly attempting to ascend, are detained below, unable to go forwards because of the anicut, or backwards from the drying up of the river, and here they are netted by the fishermen, whilst could they have passed up they would have deposited their ova, and many of them, perhaps, have returned to the sea. The lower Coleroon anicut is of rather a different construction; it is situated about 15½ miles from Combaconum where it stretches across the river, being divided into two portions by an island: the northern portion is 410 yards wide, the intermediate island 526 yards, and the southern portion 410 yards, or a total extent of 1,340 yards; its rear (or sea-face) consists of a perpendicular wall, formed in two steps, the lowest five feet, the upper three feet three inches high, or a total height of eight feet three inches; whilst each is four feet wide, or a total of eight feet. It has an apron, of much the same construction as in the upper anicut, between it and the sea. Between this anicut and the ocean there are no other stationary obstructions to the ascent of fish. Above this anicut, no sea fish could be taken, neither were the fry of any sea species found there, still the contractor asserted that, when the level of the river above and below the obstruction is nearly the same, or in very high freshes, the fish were able to pass over, but he never had seen them do so, and every one else maintained such to be an impossibility. He objected to a fishpass, however, alleging that, if the fish had the means of ascending, it would decrease his profits below the anicut.

**Effects of the breach in the Lower anicut on the sable fishery.**

21. It is here necessary to refer again to what occurred when the lower anicut breached, although this only happened in one of the arches on one branch of the river. The sable and other species immediately swarmed up to that portion of the river about the anicut, and were subsequently taken as high as the upper anicut, seventy miles higher up the river, the consequence being that the rent of the fisheries above the lower anicut immediately increased in value, whilst the contractor below the lower anicut, says he lost in like proportion. Granted that such was the case, the result has been that, owing to their having been able to breed for one season, the number of fish in the river has greatly increased since that period; this was more especially observed upon by the Chellumbrum fishermen. A fishpass would, I believe, eventually, be even remunerative, for, though it must tend at first to reduce the captures below the anicut, it will increase the fishes in the river above that structure, and thus improve them for an extent of 70 miles; as the fish would be able to breed, the numbers in the whole extent of the river would greatly increase, and the fisheries below the anicut would soon recover themselves. It is distinctly apparent that the lower Coleroon anicut has caused the retardation of the ascent of fishes, as the fishery immediately below it, as well as two others between it and the sea, have sprung into existence since its construction. It is equally evident that the fish have decreased above that structure, and that marine species are absent. Also that a breach in the anicut which allowed the sable to ascend as previously, as far as above Trichinopoly, permitted them to breed in the Coleroon, whereby the supply has been subsequently increased. Conversely it may be considered certain that should no fishpass be constructed, the sable at least must be entirely destroyed from the Cauvery and Coleroon rivers.

**Bezwada anicut on the Kistna, and its effects on the fresh-water fisheries.**

22. The construction of the Kistna anicut differs entirely from those on the Coleroon, which present a dead wall as an impediment to the ascent of fishes. At Bezwada the Kistna is 1,350 yards in breadth, where the anicut crosses it in the form of a broad wall, of upwards of 15 feet in height, having a rough stone apron at its rear (sea-face) which gradually ascends to the level of its summit. This apron is 200 feet long, and the rough stones are kept in their places by retaining walls. On either side of the anicut are the sluices, whilst a long lock on the Bezwada side leads to an irrigation canal, which divides into two branches, one going to the Godavery at Rajahmundry, and the other to Masulipatam. The velocity of this river is very great, but it would have been imagined that, as the anicut forms a long slope from its summit to the bed of the river, there could be but a slight impediment to the ascent of the fish; but such is not the case, not a single marine species is said to have been taken above it since its construction, and there were evidently none there when I examined the river. In fact, the fish in attempting to ascend up the rough stones in the face of an impetuous current, apparently become so bruised and injured that they are unable to cross the anicut, and even could they do so their ova would probably be irretrievably lost. But these rough stones do not exist in front of the under-sluices, and as the river is frequently five feet above the level of the wall above them, it might have been thought that they could cross at that spot, but they evidently do not do so, which is due most probably to the great force of the current, for they would have to rise 16 feet at least to clear the wall, no doubt they pass along the bed of the river until they reach the sluice, where, finding an impediment, they probably rise to surmount it, but as they rise the strong current must take them backwards downstream, and they do not reach the top of the wall which the muddy water prevents their seeing; for it is only during the freshes that this wall is covered with water. In addition to this, about the month of October the sluices are closed, and a wall of rough stone about three feet high is raised on the summit of the anicut wall, to preserve all the water which can be retained, for the November and December crops. Through this rough wall the water trickles, but it rarely overflows. This wall is kept up until March, when it is used to strengthen the apron. It appears to be about October and November that the sable come up the river to breed, the current being previously too strong for them. The barrier over this anicut is quite impassable for all kinds of fish.

23. The

23. The Dowlaishweram anicut, about 40 miles from the sea, again differs from either of the others, as it neither offers a blank wall nor a rough apron to impede the ascent of fishes, but forms a smooth curve, 29 feet in length, with a descent of 8·6 feet. The anicut wall rises fifteen feet from the bed of the river and is 14 feet six inches broad at its summit. In the month of October its height is further augmented by two feet of boards. I have already observed that fish pass over this obstruction, or up the irrigation channels. These channels are broad, with a series of locks between their entrance into the river at Dowlaishweram and their exit into the sea: these locks are of a good width and constantly used by boats passing up and down, so that each are opened daily about 10 or 12 times.

**Dowlaishweram anicut and irrigation channels.**

24. The third main cause of the destruction which I would adduce is indiscriminate fishing. Here I do not allude solely to the size of the mesh of the net, but to the practice of allowing the inhabitants of a whole district to kill or take fish by any means in their power without the least let or hindrance, as is now the case in the Kistna and Godavery districts, owing to the orders of the Revenue Board, quoted in the commencement of my second report, which has been construed into an order for giving up rents for fisheries to the general population. This I cannot help believing to be one of the main causes of the destruction going on, for the anicuts (as in the Kistna for instance), prevent the sea-fish from reaching their spawning grounds, whilst indiscriminate fishing destroys the fry of those species able to breed, and thus not only prevents their attaining a large size, but also decreases the number of breeding fish for future years. In an economic point of view, I would suggest that this universal freedom to net or otherwise destroy the fish is a mistake, and that, unless a change is instituted in this respect, it will be almost useless to go to the expense of making fish passes, for they would be invariably fished, (as there are no restrictions, and would only serve as a trap for taking the adults.

**Indiscriminate fishing and its effects.**

25. The means of destruction are numerous; those most commonly used may be divided into netting weirs, traps, baskets, tickling, noosing, hand-fishing, shooting, spearing, rods and lines, torch or night lights, poisoning rivers, damming streams, and draining off tanks. In addition to these the vermin destroy their share. Nets are employed by a number of individuals together, by a few, or by one alone; the most common methods I observed were as follows: *Drag nets:* these are peculiarly adapted for the capture of the marine species of fish, and may be used either alone, or in conjunction with stake nets. They are floated in different ways, but generally by pieces of reed or pith being attached to the upper rope of the net. In very heavy freshes these large nets cannot be used, especially if with very small meshes, as they would be too heavy. At Dowlaishweram these nets were used alone, either end being attached to boats, and in this manner a considerable space of water is inclosed and netted. At Bezwada the net is fastened by one end on shore. and the other extremity is taken round a wide sweep, and gradually drawn on to the land. At the lower Coleroón anicut stakes were placed across a branch of the river, and the drag nets towed down between boats from below the anicut to the places where the stake nets cross the stream. *Cast nets* are the most common form employed by the fishermen in the Madras Presidency; their value is about four rupees, and they are computed to last one year; the mesh is rarely at the bag portion above three-fourths of an inch in diameter. *Purse nets*, or a mongrel description of them, which are apparently a most worthless contrivance, in practice, are most destructive. They are, in fact, cast nets with the leads and ropes removed, and held either by one or two men; they are employed for netting the under-sluices, when the vents are closed, the fishermen generally commencing about four feet from the wall, and capturing whole shoals of young fish; sometimes a man is sent up the vent to drive down any which may be there: a smaller description is used by a single person. This fact, that the fish are generally taken up the vents when the sluices are closed, and a sufficiency of water exists to admit their ascent, I wish to be borne in mind, as it is one of a series of observations which have led to my contrivance of the new fishpass. *Round nets* I have only seen in the Cauvery; they are mostly employed for fishing under bushes, and are like huge landing-nets, the skeleton of which is a bent bamboo. *Purse nets* are also placed in small water-courses, especially in irrigation channels, and are very destructive to the fry of fish. Another method of fishing, which I have only seen on the Malabar coast, is said to have been copied from the Chinese, who have a similar contrivance for taking fish. They are usually situated on the banks of rivers or estuaries, and are as follow: The net, which is square at the opening, is a species of bag, about 16 feet square at the mouth; this is suspended by four bamboos, one being attached to each corner, and meeting together some distance above its centre, where they are fixed to a long bamboo which works on a fixed and elevated pivot; it has a counter weight on the shore side of stones, and is worked by two men who constantly let it down into the water like a bucket, where, after remaining a short time, it is pulled up again. *Weirs* are rare; as far as I have observed in the Madras Presidency, I only saw two in my tour, and those were at Gopaulpore, in an estuary which opens into the sea. They are four feet high, and consist of labyrinths, with the entrance on the land side, or up stream; the walls of these labyrinths being formed of split rattan cages, each about four feet long, and two wide at their bases, where they are flat; whilst the bamboos are joined together above, excepting at one extremity where there is a hole. Along their face up stream, each of the cages has three openings near the base, like the entrance into a wire rat-trap, so that what enters

**Means of capturing fish.**

cannot return. These cages are taken up daily at low tide, and replaced before the next high tides, whilst there are nets on their sea-faces. The keepers live alongside these weirs to look after them. The same description of trap is also employed in some tanks, and even in the form of labyrinths in the Chilka lake. *Baskets* for taking fish are of very varied forms and uses; the most common is made of rattan, and is of a simple egg shape, open below and above, the upper opening being much smaller than the lower; this construction is jammed down in spots likely to contain fish, especially eels or murrul; when it is expected that a fish is inside, the hand is inserted through the upper opening, and the capture withdrawn. Whole rows of persons provided with these baskets sometimes fish the estuaries at Cuddalore. Another form of basket is employed for fixing in irrigating channels, when it is necessary to throw up water from below to a higher elevation. These baskets are placed where the water falls, and all the minute fish thrown up with the water are retained in the basket. Since the construction of the anicuts another form of basket fishing has sprung up; twigs are fastened sideways into the basket, so that the leaves of the boughs cover the top, this is then lowered over the wall of an anicut, and fishes jumping up in their efforts to ascend, fall into it, and cannot get out; these are very destructive when the freshes are coming down, and the fishes fruitlessly springing up against the walls. *Tickling* or *capturing by the hand* is also a common mode of taking some species, especially the ophiocephalidæ, in moist situations; for, as previously observed, some of them live in holes in the banks just above the level of the water, and when discovered there they are easily caught. Even children, when there are many immature fish in a river, canal, or pond, may be frequently seen making use of a cloth as a net to catch the fry. *Nooses* are also used in some of the hill districts of Bengal, but I am unaware whether they are employed in Madras. *Hand-fishing* I also saw practised at Gopaulpore; a quantity of mullets were jumping out of the water, and making off in all directions, alarmed by the bearers crossing a stream, who, on perceiving them, rushed back again into the water, and began clawing up with their hands the thick black mud which forms the bed of the river, and in this way took a great number, about ten a minute being the average which each man captured, whilst the fish were of moderate size. *Spearing fish* is not an uncommon method in some places: at Cuddalore a piece of blue rag is trailed by a string at the end of a boat, which is paddled slowly through the back-water. At its stern stands the spearsman, holding his weapon head downwards towards the water; the head of this spear is of iron, with a long central barbed point, and two lateral curved pieces of iron, like the prongs of a pitchfork, but barbed at their extremities, and crossing each other at right angles at their bases, thus it has five barbed extremities, the handle is made of heavy wood, and a rope is attached to the centre of it; the aim of the spearsman is said to be almost unerring. In a large tank near Berhampore, covered with weeds, spearing is also resorted to; but the form of the spear differs, as it has only four barbed iron points, and these are all on a straight line. Shooting with *bows and arrows* I have only seen in Malabar: a cross-bow is employed, and the bolt attached to a string; the sportsman stations himself in a tree or bush closely overhanging the water, and in this way obtains many fine fish. Shooting with a *Chittagong bow* is also employed; it consists of a hollow tube, through which the missile is blown. *Rods and lines* are used in various ways, either for sport or as a temporary or general occupation. At the mouths of large rivers fishermen use small fish as baits for larger species in trolling, and thus often gain their livelihood. This mode of fishing is also pursued high up in the Godavery and Kistna; and I have even seen line-fishing thus practised at Kurnool. A living bait, such as a frog or a rat, is often employed for siluroids and murrul (ophiocephalidæ). A curious instance of this was related to me by a gentleman, and I mention it again here, as illustrating both the method employed, and the destructiveness of snakes. A fisherman having provided himself with a long flexible bamboo as a fishing-rod, with a line attached to its end, fixed on to the hook a bull-frog as a bait. Hardly had the frog splashed into the water, when a moderate sized murrul made a dash at it, and was firmly kooked, the fish was then left as a bait, and before long a large water snake was seen swimming towards it, and soon had it in its capacious jaws. In the Kistna and Godavery districts congealed blood is used by Mahomedans as a bait, and is said to prove very effectual. A green weed is also commonly employed for carp. In the Cauvery the boats in use for line fishing are similar to the coracles employed at home. Rod and line fishing from the banks is also carried on, as in Europe and elsewhere. *Night lines* are generally laid where there are large siluroids, and no crocodiles. A very destructive kind is used in the Cauvery, the line is fixed to a tree leaving a large portion of it ready to run out if required; above the water a stick cut like a fishing rod, is loosely thrust into the ground, and the line is twisted round its extremity, and bobbing into the water keeps the bait in constant motion. *Torch or night lights*, used as a mode of decoy, are also employed in various ways in different places. Large torches are carried in boats, and the fishes attracted by them, speared, or they are floated down and the place netted, or, as I see at Cuttack, a boat with very low sides is paddled about at night time, with a light in it, and the fish jump into it and are captured. In the Travancore hills, the Rev. H. Baker informs me, that hundreds on hundreds of large carp are killed by striking them at night with knives as they rise to a torch held close to the surface of the water. *Poisoning rivers or streams* is carried out in Malabar, and probably almost everywhere, by means of nux vomica, coculus indicus, croton-oil seeds, and other deleterious substances; the captures thus made are dried and sent to distant markets for disposal. Hooker, in his "Himalayan Journal," remarks, on entering Sikkim,

Sikkim, that "the chaulmooga, whose juice is used to intoxicate fish," was very common, showing that this practice is also carried on in Bengal; whilst Lieutenant Tickle in the "Journal of the Asiatic Society," No. ix., part 2, page 705, observes, that the coles poison water to obtain the fish. Major Leech, also, remarks in the "Journal of the Asiatic Society," No. xiv., part 1, page 339, 1843, upon the poisoning of fish in Candahar: whilst in Northern Cachar, Lieut. Stewart, in the "Journal of the Asiatic Society," No. vii., 1855, page 643, states, "another poison called deo-bi is used by the Kookies to kill fish, and has an intoxicating effect upon them, forcing them to the surface when it is thrown into the water. The Kookies also spear fish, but have not much idea of catching them by hook or net." The custom of damming up small streams is very common, the water being laded out, and the fish captured for food, and in this manner the fry are being continually destroyed after the rains have fallen. Tanks, I was also informed at Cuddalore, are occasionally drained off to enable persons to take their finny inhabitants with facility.

**Vermin which destroy adult fish.**

26. Besides the foregoing means of destruction, I must allude to the *vermin;* these are most numerous, and I shall only mention those which destroy the adult fish. I would first allude to crocodiles; although I did not observe any during my tour in the Madras rivers, I saw the remains of one at Bezwada, taken below the anicut. Here (Cuttack), however, I see them luxuriating on the fish below the anicut; no rewards are given for their destruction, and, with the exception of a few killed by Europeans either going out shooting or returning home, they do not appear to possess any enemies. Last year, two were below the Cuttack anicut, now nine large ones and numerous little ones. Some are the long-nosed fish-eaters, the others, the man-eaters, but both revel on fish. The existence of nine monsters from 10 to 16 feet in length, daily feeding themselves at one spot, must be most injurious to the fishery. If crocodiles find they can feed themselves without molestation below these anicuts, which impede the passage of fish, they will certainly find themselves some day in equally happy quarters in the Madras Presidency, and I, therefore, consider that the remedy should be ready in anticipation of such an event, not that I deny they are there now, I only observe that I did not perceive them; perhaps their absence was due to the freshes coming down, when they usually forsake the beds of rivers for contiguous tanks. *Otters,* also, are not uncommon in some parts of India, and are very destructive; for, although small, they merely eat the choicest portions of the fish they take, so that it requires several large ones to afford them a single meal. Hooker observes, that in the Sunderbunds, he "saw canoes with fishermen, who use tame otters in fishing" ("Himalayan Journal," vol. ii. p. 355), showing that the natives are well aware of the destructive powers of these animals, and turn them to account to their own advantage. *Snakes* appear to be most destructive at the Upper Coleroon anicut; as the freshes began to subside, and only a little water was going over the apron, then they came to light, watching for the fish which were attempting, but in vain, to ascend. I should imagine I never saw less than 20 large snakes every evening at the seaface of these anicuts, and I understand there is generally one in every little sluice where it awaits its prey. Fishing-hawks, gulls, and terns, abound at the Cuttack anicut, whilst herons of various kinds and king-fishers are spread over the country.

**The fresh-water fishermen.**

27. The fishermen, or the legitimate capturers of fish, for the purpose of obtaining food for the general population, differ considerably in various parts of the country; they may be divided into the regular and the occasional fishermen. It will be unnecessary to enter on all their sub-divisions which are infinite. The fresh-water fishermen are those who employ themselves in estuaries, or at places within the influences of the tides, and in pieces of fresh water, but do not go into the sea beyond their depth, and the inland fishermen, strictly so speaking. The subject of their caste I will not enter upon, as they are low in the scale, and like all low-caste people intolerant, and always fearing or pretending to fear doing something to infringe their caste rules. Owing to their occupation, they are generally inveterate drunkards, and dissipate all their earnings in drink. When one of them, as at Combaconum, farms a fishery, he obtains all the good fishermen, and renders it useless for anyone else, of another caste or religion, to bid against him, whilst teaching the work to new hands, or importing fresh ones, would be an expensive process. The fishermen appear to be the owners of the nets employed, and probably make them themselves; no doubt, in Indian fashion, the contractor often advances the money for purchasing the cotton, from which they spin the thread for netting, and thus keeps them in his debt. It seems most usual for the farming of the fisheries to get into the hands of one family, and so continue for generations. It is also curious why (unless the circumstances of the fishermen have improved of late years), they will not act now as formerly, as palanquin bearers, in consequence of which the number of bearers has greatly decreased, and in Combaconum, for instance, only two sets are available for travellers; but the reason generally given is, that since they have cultivated their crops, they find them so much more remunerative, that they do not care to act as bearers. It is here necessary to allude to the mode in which they fish in gangs, for upon it depends, in some measure, the rent which obtained, for when it is to the interest of all parties to conceal the amount of the captures, it is unlikely an accurate estimate could be arrived at without the greatest difficulty. In a tank near Berhampore, several persons club together to farm it, and they all fish in it, and divide the proceeds. In most places there is a head man amongst the fishermen who decides all disputes, and they agree amongst themselves as to the disposal of the fish, and their proportionate shares. At Dowlaishweram, where the fishing is free to all, they have divided themselves into gangs, each with a head man, whose decision

appears to be supreme. In the south of Madras a different and apparently a better system prevails; one, who is the richest of the class, hires out the fishery from Government, and gives a certain proportion of the captures to those who take them, the same as those who farm land give only a share of the proceeds of the soil to the labourers, but no money. Thus, at Chellumbrum, the fishermen stated (but they always exaggerate) that 100 of them are constantly employed, receiving half the captures as their pay, and that when the fish are very numerous the assistance of the villagers is called in, who receive the same rate of remuneration; this gives them an interest both in taking all they can, and in preserving the fish from depredators. At Combaconum the contractor who farms the fishery within two miles below the Lower Coleroon anicut has also two or three other fishing stations near. He is the chief man of the fisherman caste, and the manager, or part owner directly or indirectly, of the small Ammon Covil Pagoda in Combaconum. Two-thirds of the proceeds of the fishery go to this contractor, who asserts that with the three fisheries, when they pay, he purchases jewels for the pagoda, and when he is in arrears for his rent, he pawns these jewels to pay it. The third, which goes to the fishermen, does not appear either to be paid in fish or in money, but they resort to this pagoda, where they sleep at night-time, eating and indulging freely in stimulating liquors, &c.

**Hindu ceremonies.**

28. Certain Hindu ceremonies appear to be yearly or oftener gone through with respect to the fisheries; some of these I purpose detailing. Not far from the bungalow, near the Lower Coleroon anicut, stands a colossal elephant, about thirty-six feet high, fully caparisoned, and with several large figures around it. Beyond this again, and covered by the sacred peepul tree, are two small temples at right angles to one another, in one of which a sacrificial light is constantly, if not invariably burning before the figure of an idol. Inside this little temple I saw three sacrificial knives, one with a handle to the left of the figure, and the snout of saw fish, on which the god is said to ride. Passing near this place late one evening, I heard a tinkling of bells, and going quietly up, I perceived that they were about to sacrifice a black goat. A native was vainly trying to induce it to proceed towards a large solid block of stone; force was then resorted to, and the victim's head placed over the block, when down fell the executioner's sickle-shaped sword. The blood of the sacrifice was offered to the idol; the executioner received the head; the priest four annas, and the worshippers, whom I saw were fishermen, bore away the body. On questioning them, subsequently, as to the meaning of what I had witnessed, they informed me that every fortnight the fish contractor sacrificed a black goat for the purpose of propitiating the idol, and getting him to let the freshes come down to increase his captures of fish. They eat the body of the victim. In the Godavery, at Cocanada, there is a yearly ceremony, when the fishermen go in a body to the river's banks, and there boil milk and rice together; they then worship, and end by a feast off some goats killed for the occasion.

**Observations on the breeding of Indian fishes, and arguments against fence months.**

29. I now come to the various objections which have been raised against doing anything; the propositions which have been advanced by those who admit the present state of things; with my own views on the subject, including the question as to whether fence months, or protection from capture, during the breeding months of the year, is advisable or not. But a few preliminary remarks on the breeding of fish will be necessary. The ova of Indian fishes, as a rule, are very minute, rendering the subject of the cultivation of fish a very questionable proceeding, for anyone who has attempted the artificial propagation of such is aware of the difficulties which attend it. Now, although I consider that the preservation of the fry, and full facilities for the breeding of the adult fish, are what is required, I do not imagine that "simply depositing at intervals along the coast, in rivers, lakes, &c., sunken brushwood as shelter for the fish to spawn in," as suggested by Colonel Hayley, would be of the slightest utility. The great breeding season is during the monsoon, and the brushwood would have to be put down before the freshes came, and any one acquainted with Indian rivers must at once understand how it would all be swept away before the face of the first descending torrent. The marine species appear to deposit their eggs in the sand, and the fresh-water species mostly in the grass at the sides of rivers, and up small water-courses. I will here give the number of eggs which I personally found to exist in several species of Indian fishes. In one walking fish, *Ophiocephalus punctatus*, there were 4,700; in a siluroid, *Callichrous canio*, 47,144; amongst the carps, *Barbus chrysopoma*, 410,745; this is the largest number of eggs I have observed in any non-migratory species, and I have sometimes doubted whether it is not also occasionally migratory at least when it resides in rivers. *Barbus stigma*, C. and V. 1,850 mature, and many immature ones. *Crossocheilus reba*, 41,500; in a loach, 2,500; and in a sable, *Clupea palasah*, 1,023,645. The less migratory a fish is, the fewer are its eggs; but it appears to breed oftener in the year, not being so much affected by the freshes; whilst of the migratory varieties, the marine have many more ova than the fresh-water, especially when the latter breed more than once in the year. The foregoing few examples show how bountifully nature has provided for the diffusion of fish, for were it not for these numerous offsprings, the race would soon be exterminated. The marine species which ascend rivers have the most natural enemies, being destroyed in the sea, and followed into the rivers, where their eggs, deposited in the sand during the freshes, are liable to be washed away, or left high and dry when the sun would destroy their vitality; it is very evident they would require a vast number of ova to keep up the breed, but nature apparently never took measures to obviate such obstructions as anicuts

anicuts without passes, erected below the breeding grounds; fruitless to deposit their ova below, and unable to do so above, their eventual extermination, unless some change occurs, must be self evident. The parents are being destroyed, whilst the offspring remain unborn. *Fence months* have been proposed, but after my late extended inspection of the fresh-water fisheries of this Presidency, I cannot advocate them for the following reasons: The sable fish is the most valuable of those in our Madras rivers, and it is only during the breeding season that it is good for the table, the same as the mackerel at home. Prior to the breeding period it is absent, and after it has deposited its ova it becomes flabby and scarcely fit for food, and then returns to the sea. Now, if taking it were prohibited during the breeding season, the entire fishery would be destroyed. Again, the breeding months of the sable evidently varies in different rivers; in the Cauvery, from June to September; in the Godavery, from July till the middle of October; and in the Kistna, from October till December; thus, were general fence months instituted for the protection of the sable, they would have to be from June to December, or half the year, whilst nothing would be gained, because the fry could be taken in February or March, whilst these also it will be necessary to protect for future years' supply. No doubt the season of the monsoons, which is coincident with the freshes, is the breeding period with fishes; but with regard to those varieties which pass their time almost entirely in ponds, I have in numerous dissections satisfied myself that they also breed at other seasons of the year. Different plans must, therefore, I consider, be devised for the preservation of the Indian fresh-water fishes. But a certain amount of protection will be necessary when the young fry pass down to the sea along the irrigation channels, and for the present I would strongly advise all fishing being prohibited in these channels from October to February, inclusive; and I also strongly urge a general rule being passed, prohibiting all fishing, except with rods and lines, within 100 yards of any anicut, weir, dam, locks, or masonry works, extending across streams or canals of fresh water.

Objections to fish passes answered.

30. Many observations respecting the use of this inquiry, and the manner of carrying out remedial measures, have been made in this country; some it is hardly worth while to advert to, others I will make a few remarks upon: "It is not fishes, but freshes which are required," says one public writer, showing more facetiousness in his observation, than knowledge of a subject on which he is, in his own opinion, enlightening his neighbours, for increased freshes bring increased fishes, and the very fact of receiving the former must necessitate the presence of the latter in an increased number, to the benefit of the general population, by affording "additional means of food." The sub-collector of Arcot* remarks respecting fish passes, "the chief point for consideration, however, is, whether the water that would be required for running over them is not too valuable to be expended in that way. It is simply a matter of what a gallon of water at the anicut is worth, and whether it is better to use it in irrigating the land, or in flushing these fish ladders for the sake of the fish to pass." The whole of the views here advanced are so entirely erroneous, showing such ignorance of the construction of the present form of fishpass, and the manner of using it, as well as of the habits of the fish which ascend them, that I think it advisable to show their fallacy, because I have heard others, who have not given the question a thought, advance the same opinion. First, valuable water could not be expended in going down fishpasses, because all at present known are raised to a level with the summit of the anicut, and it is only during the freshes, or when surplus water is going over that structure, that, instead of its all running entirely to waste, some of it is guided down a fishpass. Also, as fishpasses are not flushed, the water could not be thus wasted; as regards the ascent of fish, it is when water is coming down in a fresh, or in a suddenly augmented amount from any cause, that they swarm up the rivers; those who have observed on the effect of the under-sluices being opened, would at once perceive the correctness of this remark. Lieutenant Vibart, R. E.,* says, "It has been suggested to me that the Government should institute an establishment to catch the fish below the anicut, and place them in the river above, if it is found that the supply of fish is really largely diminished by the fishery below the anicut." This plan was favoured by the Board of Revenue. When at the Upper Coleroon anicut, I personally tried this experiment, to ascertain how many fish I could catch in a certain time, and transfer from below to above the anicut; these it must be remarked, were not of large species, whilst they come close up to the anicut wall, and a bridge spans the construction. After three hours' fishing, I took about 1,319, which I transferred, as caught, over the wall, and about 200 were suffocated; these were young fish, and it would be very different with breeding ones. First, at the Kistna, there is no bridge across the anicut, and the fishing must be carried on for at least 250 yards below that structure, therefore the fish would have to be captured, landed, and carried up above the anicut. Doubtless, some would survive the process, if a sufficient number were taken, but the ova would be injured and probably almost irretrievably so. For anything to succeed it must be a natural pass, up which the fish struggles with more or less difficulty. Besides this, it may be taken for granted, that a sable fish once captured by a native fisherman below the anicut will not find its way back again into the river above that structure, unless under strict supervision.

* Proceedings of Government, 27 May 1868.

* Letter dated 5 November 1867. Proceedings of Goverrment, 27 May 1868.

European fish passe require slight changes to be adapte to Madras rivers—

31. Fishpasses have only of late years come into use in Europe, where the fish were gradually decreasing in numbers, and are for the purpose of allowing the breeding species to ascend over obstacles to their spawning beds; and under slightly altered circumstances we

one in the Lower Coleroon, another in the Kistna, advised at once.

we might attain the same object in India, where anicuts represent the British weirs, detaining the fish, and permitting their destruction. A considerable difference, however, is that the freshes which come down in Indian rivers are very impetuous in their force, and therefore the passes which might succeed in Europe would not, if unchanged, be suitable for the rivers of the Madras Presidency. The desiderata is, that fish should be able to ascend a given height, but never have above one or one and a-half feet of ascent, or step to pass up at one time, and at the top of each of these steps have a comparatively quiet basin of water to enable them to rest after the ascent of one step, before attempting the next: even in Europe, I see one foot in ten is advocated, but the current should not be too strong. At the foot of the pass the water should be deep to give them a good run, and with a smooth bottom to prevent impediments, and preclude their being injured; and for the same reason, it is necessary that the floor of the fish pass should be as even as possible. I will now observe upon the different fish passes, what is required in each, and the manner in which they can be constructed. The best materials, and whether they would, or would not interfere with the anicut works, I leave for the consideration of the engineer officers. The Inspector General of Irrigation Works, in his letter, dated 23rd June 1868, observes, "When it is shown that any relief is needed, it can easily be given, as, on English rivers, the best form of salmon ladder may be obtained for our instruction." I must premise that as I found sea-fish above the Godavery anicut, I do not propose adverting to that structure, which leaves three places in which it will be necessary to erect fishpasses, the Upper and Lower Coleroon anicuts, and the Kistna at Bezwada. I would suggest that, should my views be coincided in, it would be advisable, first, to erect fishpasses on the Lower Coleroon and Kistna anicuts only, in order to test their working, because the Upper Coleroon anicut, although it certainly impedes the ascent of the fish, is only across one branch of the river, and fish may consequently ascend by the Cauvery on the other side of the Island of Seringham. When a fishpass is erected at the Upper Coleroon anicut, it should be between the 24th and 27th arches from the Cauvery side, for there the river is deepest, and flows longest over the dam. This portion includes two sets of under-sluices, one of three, the other of two arches. If another pass be erected on the north, or small branch of this anicut, it should be placed on the fifth arch from the island end; but it would be highly advisable to see how those on the Lower Coleroon and Kistna anicuts (which are indispensable) act before commencing the others; and I would urge that both of these should be completed before the next south-west monsoon.

Coleroon anicut, and where the proper place exists for erecting a European fishpass, and plan of doing it.

32. The Lower Coleroon anicut, as already observed, spans two branches of the river, and is separated by an island; one arch in one branch breached, the sable freely ascended the river. This, I consider, conclusively shows that only one pass is needed at first, and if the construction of a European fishpass is preferred, it should be as follows: it should be erected where the bed of the river is deepest, but never in a side channel. The most appropriate situation in this river is either on the south side of the north branch, or on the north side of the south branch. As it will only be used by the fish during the freshes, the lowest three feet, three inches of the pass, as in the accompanying plan* (No. 1), might be made of a single slope, with a three feet rise; this would only leave about five feet in height to be ascended, or five steps; between each step should be a basin nine feet long, whilst the thickness of the wall of the step I calculate at one foot at its base, or a general total in length of the pass of 50 feet, and three feet for the lowest rise, about 53 feet in its entire length; whilst the width of the fishpass should be 12 feet. The anicut apron of cut stone is 24 feet, and beyond that are 24 feet more of rough stones; thus the length of the pass would not be above three feet beyond the end of the apron. Each of the one-foot walls, or steps, must have an additional foot in height, extending one-third of the distance across its face, and these must be on alternate ends of each successive step. The basins between these steps must be gradually deepened on the anicut end of each, where each should be three feet deep, becoming shallower anteriorly, as seen in the side view of the plan. The sides of the pass should have lateral walls two feet in height to retain the water in it. Having explained my views, and the reasons which have led to my adopting them, to Mr. Faulkner, at Cuttack, he has been good enough to have plans drawn out from my rough sketches and models, and these I append to my report.

* Sent by book post.

Kistna anicut, and where to place a fish-pass.

33. The Kistna river, as already observed, has a rough stone apron leading up its face, and about 1,000 yards from the Bezwada side is the best place in which to place a fish-pass; or should any engineering difficulty or danger exist, then a space of 18 feet in width is present between the sluices and the lateral retaining wall of the apron, where it would doubtless act, though not so efficiently. The rush of the water in this river is more impetuous than in the Cauvery, and though the general construction of a fishpass should be the same, it would require modifications; thus, its width should be 18 feet, and the basins 13 feet long instead of nine, and four feet deep each instead of three. This pass would have to be carried over the rough stone wall which was erected in November, or if insuperable difficulties would thus arise, I would only suggest the upper basin be 36 feet long, with a lock, one door of which should be placed across its face up-stream, and the other door cutting off the posterior 12 feet of its length. The lower doors should be only closed twice a day, when the upper ones should be opened; but I almost think it would prove

prove a regular trap for taking fish, and great difficulties would exist in opening and closing the upper shutters. The engineer officer suggested the erection of a temporary pass, to be yearly renewed, up the face of the anicut, and formed of rough stone walls, covered with mats to retain water in it, as mentioned in my second report. I cannot advocate its adoption.

Proposed new form of fish pass owing to difficulties and expense in constructing them in the European form

34. Without presuming to offer any opinion upon engineering subjects, I may mention that officers of the Public Works Department appear to consider any permanent structure erected on an anicut, which impedes in the slightest degree the free rush of the water, may tend to weaken contiguous parts by the formation of eddies. On the other hand, it has yet to be ascertained by actual experiment the length of the basins which will be found efficient for fish passes in such rapid currents as exist in Indian rivers. So soon as I found that fish passes would be necessary, I commenced investigations to try and discover some new mode of construction, suitable for Indian anicuts, which should fulfil three intentions—a free passage for breeding fish up-stream in the floods; a free passage down-stream for young fish in the dry season; and the whole construction to be of less expense than the present form of fish pass. Due to my investigations and travels having been extended to so many fishing stations, and having watched how the fish try to ascend from the sea or descend from the rivers, I think I can offer the required desiderata for the consideration of Government. I believe the operation of the pass I have to propose will be superior to the European fish pass, and though, so far as I know, it has never been practically tried, I will fully give reasons why it must succeed, even though doing so causes my recapitulating observations already given. The *principle* I propose to go upon is that of a lock, for I found the fry of the sable descending the irrigation channels through the locks from Dowlaishweram to Cocanada to obtain an exit to the sea. I have also observed that fishes wishing to ascend the river go even up the vents of the under-sluices when the shutters are closed, which prevents the current being too strong. In anicuts there is no difference worth mentioning between the levels of the bed of the river above and below those structures, so the desiderata is simply to enable fish, if possible, to continue their course up or down-stream unchecked. The rush of the water over the European form of fish passes may, as I have observed, prove deleterious to the anicut, too strong for the fish, whilst the pass becomes inoperative in the dry season for the descent of the fry, besides expensive in its construction.

New fish pass in the form of a simple lock. The time, and how to use it.

35. The new fish pass I propose is as follows:—It should be constructed across two vents, the outer piers being extended about 24 feet down stream if lock gates are used, and only 15 feet if a door is slipped in at its extremity. I will first remark upon the simple lock principle erected on the sea-face of the apron, and having, at its lower end, a pair of shutters exactly identical with those used in canal locks, and which when open are flush with the masonry work by being let into the extended portion of the piers, and having a strong iron bar across the floor of the vents to prevent their being carried outwards down-stream. I see an objection to this, that the pressure of the water in the lock may throw down the piers near the hinges of the lock shutters, unless the piers are very strong at that place, whilst if they are, this enlarged part may check the free current of water from the contiguous vent. The down-stream shutters, for easy reference, I term the *lock shutters* in contradistinction to the upper or *anicut shutters*. The upper edge of these lock shutters must be on a level with the upper edge of the anicut shutters, consequently if the anicut shutters are opened the water could not descend further than the closed lock shutters. The action of this lock would then be that, if the anicut shutters were open, fish could descend into the lock; a most important gain, as the fry want to descend at periods when no water is going over the anicut wall. After a few hours the anicut shutters could be closed, and then on opening the lock shutters the water from the lock and the fish would be carried down into the river below, and would thus have passed through the anicut. On the same principle, in moderate freshes, the lower or lock shutters are mostly to be kept open; fish will then ascend up to the closed anicut shutters; then on closing the lock shutters and raising the anicut ones, there will be an entrance into the river above the anicut. This plan cannot be carried out to any extent; thus in the Bezwada anicut, where the rise is nearly 16 feet, double locks would be required of eight feet high each; not only the piers would have to be extended to a great extent, but I fear such would interfere with the construction of the under-sluices. I would point out that a single 16 feet high shutter placed across the lower end of the lock, and having its interior one and a half feet in the form of a trap-door moveable on hinges (as I shall explain in the next paragraph), will succeed; whilst the whole of the large shutters may be wound up by Mr. Faulkner's contrivance, so as to be completely out of the way during heavy freshes. Whichever plan were carried out would enable the engineer officer to have a free exit for the water from the under-sluices whenever he wished to scour the bed of the river, as explained in my first report, for either the single shutter may be drawn up, or the lock gates can be thrown open so long as may be considered necessary. I now come to the time when it will be necessary to keep open the lock or the anicut shutters, and how to work them. In very heavy freshes the lock shutters would have to be left fully open, or the single lower shutters drawn up, for at those periods no fishing can go on, but as the force of the current abates, and fishing commences, the following plan should be carried out. I place it in the form of a table

for easy explanation; one shutterman will be required to work it under the orders of the Monegar in charge:—

| Season. | Lock or New Shutters. | | | | Anicut or Old Shutters. | | | |
|---|---|---|---|---|---|---|---|---|
| | Open. | Closed. | Open. | Closed. | Open. | Closed. | Open. | Closed. |
| 15 June - - | 8 a.m. | 4 p.m. | 6 p.m. | 6 a.m. | 6 a.m. | 8 a.m. | 4 p.m. | 6 p.m. |
| to | to | to | to | to | to | to | to | to |
| 15 December - | 4 p.m. | 6 p.m. | 6 a.m. | 8 a.m. | 8 a.m. | 4 p.m. | 6 p.m. | 6 a.m. |
| 15 December - | 6 a.m. | 8 a.m. | 4 p.m. | 6 p.m. | 8 a.m. | 4 p.m. | 6 p.m. | 6 a.m. |
| to | to | to | to | to | to | to | to | to |
| 15 June - - | 8 a.m. | 4 p.m. | 6 p.m. | 6 a.m. | 4 p.m. | 6 p.m. | 6 a.m. | 8 a.m. |

I have here given the seasons, thus dividing the year into halves; but if no rains occur between March and June, this pass need not be worked at all. Another great advantage is that if such a season could occur that the little water required for the lock became an object, it need not be opened, or only once a day, or even once a week. From this lock a simple moderately smooth channel, as wide as its breadth, should be carried across the rough stone apron to the river below, or thus the fry from the lock would be washed down, whilst such a smooth place would be most frequented by ascending fish. There is one subject to be guarded against in this fish pass, the same as in all other forms, which is that it may be poached; but if Government do not permit fishing within 100 yards of the masonry work of any anicut as I propose, such poaching could only be carried on with the connivance of the Native who is in charge of the anicut, and the shutterman who works the shutters. To obviate this, in some degree, I would suggest as follows:— In the stone work above the two vents, or up-stream, a dozen tenter hooks driven into the wall would so destroy any nets that I doubt second attempts being tried. I would also suggest driving a few of the same description of hooks into the stone wall of the locks and vents. The lock shutters will require a trap-door to let out some of the water before the shutters can be moved, as is done in locks; or, what would be better, the lowest one and a half feet of the shutter should be in the form of a moveable trap-door, which can be elevated by chains from the inside if any contrivance can be made to enable the upper portion of the gates to resist the pressure of the water in the lock, and this brings me to what, I think, will prove the cheapest and best form, though the principle is the same, only the lock doors do not open, but are made in one piece, slipping down grooves into their position.

Immovable lock gate proposed, with lowers one-and-a-half feet in the form of a trap-door which can be raised as required.

36. I have, in the last paragraph, given my plan of erecting a fish-pass across two vents ofthe under sluices of an ani cut, in the form of a lock, which, if it can be carried out by the engineer officer, will be as efficacious as another form which I have now to propose on the identical principle. The lock should be formed in the same way as proposed in the last paragraph, only the piers need only be extended 14 feet down-stream; whilst, instead of a gate to open at the head of the lock, there need only be one door slipping down into a frame or grooves, thus closing the end of the lock; but these grooves should only permit it to descend to within one and a half feet of the floor of the lock; consequently for one and a half feet there will be a vacant space between the floor of the lock and the lower edge of the lock gate. This space I propose filling up by means of a moveable door, attached by hinges to the upper door, but which will only open inwards, having a strong iron bar fixed across the floor of the lock, thus totally precluding its being carried outwards by a descending current of water, whilst it must be shod with iron sufficiently heavy to prevent its floating. Thus we have a moveable trap-door which can be opened inside the lock for the lowest one and a-half feet below the fixed lock gate; I propose iron chains being attached to the inside of this moveable door, so that the shutterman can elevate it as required; whilst a narrow board should be fixed along the outer side of the lock gate for the cooly to walk on when thus engaged. This moveable door obviates the trouble and expense of lifting or opening the whole of the lock gates. I have proposed these gates bring made in one piece, and slipping down in grooves, so that they can be raised or removed if necessary, as will be the case during heavy freshes, whilst the time of opening the moveable door should be the same as proposed in the last paragraph for lock gates. I have seen an ingenious apparatus at the Cuttack works, which would act efficiently, and do well with slight alterations. The whole gate goes down in a groove, and works by a screw, whilst, to enable it to run up easily, there are wooden wheels in

in the frame for it to run easily upon; thus the whole of the gate can be raised by one cooly in two hours as high as the top of the piers, and so be out of the way of freshes. This apparatus and its necessity, however, the engineer officers will be best able to give an opinion upon; only it will be necessary to have the moveable door, as I have detailed, at its lowest one and a half feet, for daily use. The machinery would enable the whole construction to be easily raised, for it could be wound up during heavy freshes, being lowered down again into its place as they begin to subside.

Observations on the farming of fresh-water fisheries.

37. I now come to the question of farming fisheries, before entering upon which I beg to observe that excellent reasons may exist for not letting the fisheries, but with which I am unacquainted. My remarks have solely reference to the economic question, and how best to increase the food productiveness of the various pieces of fresh water in this Presidency, and observations upon certain questions which have been raised. All European Governments, I believe, let out the fresh water fisheries when they remain in their own hands, as do also private individuals possessing such property. Indian Native Governments are also reputed to have made a revenue from this source. In Mr. Nelson's report to the Madras Government on the Madura country (1868) is the following:—"The repairs of tanks, or at all events the more important repairs, seem to have been executed by the Government, and to have been paid for out of the proceeds of the fishery of the tanks when drying up. A letter* dated 1713, states that 'the fishing of a single tank produced occasionally as much as 2,000 ecus (crowns), and that sums so realised were invariably applied to the execution of repairs.' The writer is speaking of the Marava country, but no doubt the system was the same in Madura." Lieutenant Vibart, R. E., observes,† at Bezwada, "I think Government should rent out the fisheries annually, or put a stop to them altogether, should it, after further observation, be deemed necessary." I entirely agree with the first proposition, and will first examine the reasons which have been adduced against farming out fresh water fisheries. The Revenue Board, in their Circular Orders on 27th November 1848, observed, "Collectors are requested to let out all fresh water fisheries," but on certain Collectors demurring, the Board, in their subsequent reading of these orders, entirely changed their action. In Arcot the renting system was not to be pressed; in Guntoor it was not considered advisable to revive the practice of renting tank and channel fisheries; at Kurnool the fisheries were not to be let; the same with regard to Bellary. In the Kistna Collectorate, the Collector observed he had been offered 942 rupees yearly for some fisheries not heretofore let, but a contractor had come forward who wished to farm them out, and sublet them to the fishermen. The Board ruled that none of these fisheries were to be let, as re-imposing the Moturpha tax, and evidently fearing the contractor might grind down the fishermen by excessive sub-rents. I first come to the effect of these orders on the fisheries; secondly, provided these fishing grounds were let to contractors, its bearing on the fishermen; and lastly, my proposition, which has solely reference to the fishes themselves to prevent their indiscriminate destruction. The fisheries in the Kistna and Godavery districts, above anicuts, may be considered as nearly exhausted. Magnificent pieces of water do not contain sufficient fish for the few inhabitants along their banks, and none are available for export to distant markets except in the Godavery district. As I have already remarked, anyone may fish, in whatever way best suits his individual views, and ignorant Natives, who never look beyond to-day's wants, take what they are able, irrespective of size, and fish where they please, no matter how. As the larger fish are cleared off, smaller meshed nets are employed, until at last the fry, as a rule, become the size of fish which are taken. What appears required, is a head or responsible man, whose interest it is (as to the south of Madras, and in Ganjam to the north), to prevent constant and indiscriminate fishing. It would be exceedingly expensive if a staff of keepers had to be kept for the purpose; and it is more than doubtful whether they would be of the slightest practical use. If the fisheries are let, the contractor becomes their keeper, his people the watchers; self-interest would never allow his permitting every little boy to have and use a net, wherewith he is destroying the small fish, and frightening away the larger ones. I do not propose this theoretically; I have seen it practically in the Coleroon and in the Ganjam district. I have heard it asserted that it would be hard on the poorer classes not to permit them to capture these little fish; it seems to be thought that fish come of themselves, and, like the birds of the air, should be sport to all. But how have such pseudo-philanthropic views answered in practice? By decreasing the fish, and consequently diminishing the supply of food in whole districts. Thus, when famine years come round, the water is found depopulated, the little fish have been eaten by the poorer classes, and consequently larger ones are sought for in vain. I deny the philanthropy of such proceedings; but, on the contrary, hold such views, when carried out in practice, will eventually be found amongst the most cruel which could be devised. Who knows how many may perish in hard times for want of fish, which will be absent owing to indiscriminate fishing and destruction of the fry having been thoughtlessly permitted. I do not deny the increase of quantity captured at first by such provisoes; but I maintain that this is done at a permanent loss to the fisheries, decreasing future years' supply, and, if continued, annihilating the fisheries. Water should be as valuable as land for producing food, and indiscriminate farming is not permitted; were it, any farmer could easily foretell the result; how the strong would farm the richest soils, and when exhausted move on somewhere else. Doubtless, if the fisheries are farmed out, the price of fish will be temporarily raised, but such will only be the case for the fish two or three years; as the fish increase in quantity their value must diminish, whilst the temporary good of the few should give way to that of the many.

* M.S.S. Jesuit's Administration Report, 1713.

† Proceedings of Madras Government, 27 May 1868.

Effects of letting fisheries on the fishermen as distinct from the contractor, and proposal respecting annually farming them out.

38. It appears to be imagined that farming out the fisheries would be hard upon the fishermen, that the contractor would sub-rent them on hard terms to the men who have to capture the fish. But how is it in reality? No contractor could act in an extortionate manner to the fishermen in the Kistna and Godavery districts, because, owing to the price of labour being there very high, they could easily obtain other employment, especially as boatmen, consequently they could exact their own terms from the contractor, and either work as daily labourers under him, receiving their proportion of the captures, or else they might farm the fisheries themselves direct from Government. Annual public auctions of all the fisheries should, I consider, be the rule until their value increases to such an extent that Natives would find it profitable to erect salting places. Such a time it will apparently take a long period to reach in this Presidency, so it may be left to future discussion. Yearly auctions would entirely prevent excessive exactions, because the fishermen might, if they thought it worth their while, save money and become the contractors themselves. This might be answered by the correct assertion that they are improvident and lazy as a class; but, perhaps, giving them an object to work for, would make them more provident, for it is a general remark that they now only work exactly for what they require, and do nothing till want makes them re-exert themselves. It is only these fishermen who can take the fish, and if the contractor cannot obtain their services he cannot capture them himself, or by the aid of common coolies. I would propose that unless some special reason exists to the contrary (as the existence of fishing weirs), that all pieces of water, if of sufficient size for fishing, and which are not navigated, as a rule, by sea-going vessels, and all rivers above the points where such navigation ceases, be farmed out annually by auction to the highest bidder. In five years the annual value of the fisheries would be ascertained, and as the price of food goes on augmenting, they should not be let, except under peculiar circumstances, below the average of five years' auction.

If no lessees come forward propose to give fisheries a rest.

39. The demands for labourers are so much in excess of the supply in the Kistna and Godavery districts, especially near the anicuts, that six annas a-day is not an uncommon rate of hire for a cooly. As a consequence, the people have become rather independent respecting work, and I am informed, if Government were to demand rents for the fisheries, the fishermen would possibly, if not probably, decline to pay anything, and thus no tenants would be forthcoming. I should personally doubt this, if the tahsildars were to clearly and distinctly inform the fishermen that if fisheries were unlet, fishing (except angling) would be prohibited; still individuals living on the spot must be better acquainted with the habits and ideas of the Telugu people than a stranger can be. However, should they decline to pay rent, I hardly think it affects the question in the least degree, for they would not be thrown out of employ; they could turn to other sources of work for their living, whilst the unlet fisheries would obtain an entire rest, except from angling; the consequence would be that the fish must increase, the depopulated rivers become stocked, and after one or two seasons lessees would be doubtless forthcoming. The rents first obtained would of course be small, but when it becomes evident that they are to be as regularly levied as those from the land, they must rise to their market value. Thus a staff of keepers would be raised without any expense, whose interest it would be to look after the fisheries; and with an agreement respecting the size of the mesh employed, the preservation of the fry; and also the construction of a fish-pass at the Bezwada anicut, the yearly value of the fisheries must improve. The non-renting system has had six years' trial in the Kistna and Godavery districts, and evidently with the most disastrous result to the fisheries; farming them out and placing fish-passes might now have their chance for an equal number of years, and I venture to suggest that subsequently a comparison may be instituted. There is also another aspect of the question, that supposing fish-passes are expensive, how ought they to be paid for? I would suggest the fish-eating population, who obtain the benefit, are the proper persons to pay for it; and the easiest way to do this would be by farming out the fisheries, which I am firmly persuaded will, after a few years, decrease the price of the fish in the market by producing an increased supply in the rivers and tanks.

Size of the mesh of nets employed and proposition.

40. I now come to the size of the mesh of the nets employed by fishermen, and whether anything could not be done respecting it to improve the state of the fisheries. That the destruction of fish is excessive is admitted on all sides, but the Natives assert that they like the little wee fishes the best. The only way to stop this will be by not permitting the employment of nets which capture these baby-fishes. The nets at present in use only last one year, and perhaps it would be necessary to give one year's notice prior to the general introduction of an alteration in the size of the mesh of the nets; should such a measure be carried out, it is one which every tahsildar, whose opinion I have asked, informed me could be easily managed. In England netting fords is prohibited; but as most Indian rivers at certain seasons are fordable, such could not be enforced in this country. The legal size of the mesh of nets in England is eight inches in circumference, whilst in my recent tour three-fourths of an inch has been by no means an unfrequent size, and one inch no less common. I would recommend fishing being prohibited in any piece of fresh water which is let by Government, with a mesh of less than four inches in circumference, and even this would take very small fishes. Instead of making any observations on the size of the mesh of the nets, I give (Plan No. 3) a rough diagram of the sizes employed. No. 1 is considered by Native fishermen only applicable for heavy rains or high

high freshes; when young fry are about; they assert that they can then only fish from the banks, and, therefore, only catch little ones. No. 2 is the size employed when the freshes begin to subside, and they can wade waist deep, but it is continued all through the year. No 3 is the smallest size used for drag nets as the river clears; and No. 4 is the size which I propose should be the smallest admissible at present.

Agreement in letting fisheries.

41. In letting fisheries I recommend that certain rules and regulations should be explicitly stated in all agreements. The renting (except where weirs are necessary, or some considerable outlay desirable), should be put up to auction every year, and should no one bid, all fishing, excepting with rods and lines, should be strictly prohibited, unless the tahsildar could collect and sell the fish as I find is sometimes done; but this is a proceeding to be disapproved of. The size of the mesh of the net should be distinctly laid down, and under penalty; neither the lessee, nor any of the people under him, should employ one of a smaller size, and any person taken using such, the contractor should be obliged to prosecute. As to whether a simple agreement under a penalty would succeed I do not give an opinion upon, for, unless some one as an informer has an interest in ascertaining the size of the mesh of the net employed, there may be a difficulty in practice. Tanks should never be drained for the purpose of catching the fish, and all poisoning of rivers should be prohibited; I believe it now comes under the Penal Code, but the penalty should be enforced.

Destruction of vermin proposed.

42. Vermin should be destroyed; thus I would suggest offering rewards for all crocodiles killed in the Cauvery, Coleroon, Kistna, and Godavery rivers, within three miles of all anicuts. Perhaps five rupees for each above 10 feet in length; *Rs.* 2. 8. for all between two feet and 10 feet; and one rupee for every small one, with four annas for each egg, would be found sufficient for this purpose. Otters also should be destroyed, and four annas a head would probably be a sufficient reward, whilst the snakes should be killed in the Cauvery and Coleroon, as they are evidently very destructive, especially to the fry.

General result of inquiries.

43. In my investigations I have endeavoured to ascertain whether the fish are generally decreasing in the Cauvery, Kistna, and Godavery, and I think there can be no doubt that such is the case above the anicuts, and that this decrease commenced coincident with their erection, whilst at the same time the fisheries below them first commenced, owing to the fish being impeded in their ascent. I consider that some remedy is highly desirable, and should be brought into force with the least possible delay, to prevent several valuable species of fish from being exterminated.

General remedies proposed.

44. The remedies I suggest are fish-passes in the Lower Coleroon and Kistna anicuts, and if the result of their erection is satisfactory, also in the Upper Coleroon and Dowlaishweram anicuts; the letting of all fisheries, so that it is to the advantage of the contractor to stop the present mode of destroying the fry; the annual letting of fisheries, except when much expense is incurred in erecting weirs; a prohibition against using nets with a mesh under four inches in circumference; no netting being allowed within 100 yards of all anicuts, weirs, dams, locks, or masonry works extending across streams or channels of fresh water, and also no fishing in the irrigation channels from October to February to allow the fry to descend to the sea, until such time as a fish-pass has been placed in the Dowlaishweram anicut.

Final considerations.

45. I have not entered into the question of the sea and coast fisheries of the Madras Presidency, as I am not quite certain whether it was intended I should confine my investigations solely to the rivers; but in case it may be desired, at a future date, to have this most important subject inquired into, I venture to enclose a series of questions for circulation, nearly similar to those I furnished in accordance with G. O. No. 2,468, to the Supreme Government. The sea fisheries appear to require as much stimulus as the fresh-water ones do conservation. The two species of sea fish, *Sciæna coitor* (not of much value), and sable, *Clupea palasah*, which I find breeding in the Madras rivers, I have never obtained in the sea, except at Cocanada, at the mouth of the Godavery canal, where I found the latter. At Madras I have collected nearly 400 species, but the sable has not been amongst them, although another nearly allied species is found there, which, however, does not breed in the rivers. An extended inquiry along the coast would, therefore, be necessary to solve the problem; but my idea is that the sable is a deep sea fish, and comes to the Coromandel coast to breed in the rivers, after which it returns to the deep sea. One of my reasons for this belief is, that I have not found it along the coast; this, however may be due to the destruction of the species, or rather to their inability to breed. I venture to suggest the circulation of the accompanying questions, and from what I have seen in my tour of inspection, I cannot but express my belief that, should Government institute a full inquiry into the whole of the fisheries in the Madras Presidency, at the same time removing local obstacles to the breeding of fish, and preventing the destruction of the fry, that it might be the means of effecting much good, by augmenting the food of the people at large, whilst I am also fully convinced that, in a pecuniary point of view, all expenses would soon be re-imbursed by the increased value of the fisheries. Whole districts are now unlet, and, most probably, the same destruction is being carried on, as in the Kistna and Godavery Collectorates, due to the order for not farming them out. In regard to the sea fisheries, full information would be desirable respecting the uses to which the sea fish are put, as in salting, drawing, extract-

ing fish oil, preparing isinglass, or fish fins, &c., &c., for they are employed in numerous ways. If the oil sardines have not re-appeared on the Western Coast, it would be useful to ascertain where the shoals have gone to. Where means of salting fish exist, and the trade is not carried on, it appears that a stimulus might be advantageous. As regards medicinal fish oils, if it could be furnished at home on a profit cheaper than the cod liver oil, it might be worth while to have its therapeutic effects tried on a large scale in London hospitals. Although the isinglass I have as yet obtained from fish on the Coromandel side has been inferior, that from Malabar may be of a better description, and worth exporting to Europe for fining liquors; whilst an investigation might disclose that the pearl oysters have migrated, and thus their present absence may not be entirely due to deficiency of spat. I only suggest these as a few of the inquiries which it might be considered advisable to institute.

(signed) *Francis Day*, On Special Duty.

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*From the Revenue Board.*

1. Return of yearly receipts from fresh water fisheries for the last 20 years.
2. Return of yearly receipts from exports and imports for the last 20 years.
3. Return of yearly receipts from export and import of fish oil for the last 20 years.
4. Return of yearly receipts from export and import of fish maws, or sounds, for the last 20 years.
5. Return of yearly receipts from export and import of fish fins for the last 20 years.

*From each Collector.*

1. Return of yearly receipts from river fisheries for the last five years.
2. Return of yearly receipts from tank fisheries for the last five years.
3. Are there any large portions of fresh water over which Government do not possess the right of letting the fisheries in your Collectorate?
4. Are any other portions of the rivers and tanks in the district unlet?
5. What rule exists why any of the fisheries should be unlet?
6. Does any reason exist against their being let?
7. When fisheries are let, is it done by the year, or by a term of years?
8. Does any reason exist against letting them annually?
9. If any anicuts exist in your district, what effect have they had on the fisheries?
10. Have the fish decreased in rivers above the anicuts?
11. Are fish stopped at the anicuts?
12. Are many fish taken below the anicuts?
13. Are fish, when very young, destroyed to any great extent?
14. Is the size of the mesh of the nets employed very small?
15. Would there be any difficulty in regulating the size of the mesh of the net in all fisheries which are rented out?
16. How long notice do you consider it would be necessary to give, provided it were deemed advisable to prohibit fishing with very small meshed nets in waters which are let?
17. Would six inches in the circumference of the mesh be too large?
18. Is there any reason against prohibiting netting or capturing fish, excepting by hooks and lines, within 100 yards of all anicuts, weirs, dams, locks, or masonry works extending across streams or canals of fresh water?
19. Are the fish curers allowed to use the salt earth in your district untaxed?
20. What are the restrictions respecting salt earth being employed in curing fish?
21. What is the quality of the salt earth?
22. May it be purified before being used, or must they employ the salt earth uncleaned?
23. What is the quality of the salted fish?
24. Would the Natives prefer a superior quality of salt fish to what they now obtain?
25. Is Government salt purchased to any great extent for curing fish?
26. How do you consider the trade of salting fish could be augmented?
27. Is there a good market for fish in your district, or is it fully supplied?

*From each Tahsildar.*

1. A return showing the yearly receipts from river fisheries for five years.
2. A return showing the yearly receipts from tank fisheries for the last five years.
3. A return showing the number of tanks in which the fishing is let.
4. A return showing the number of tanks in which the fishing is unlet.
5. Are there any fisheries in your talook, or district, which might be let?
6. What are the number of fishing villages?
7. What are the number of occupants in each?
8. Do they only employ their time in fishing, or have they any other trade?
9. What castes fish in the sea?
10. What castes fish in the backwaters and rivers?
11. What castes sell fish?
12. What castes salt fish?
13. Is fish taken any long distance for sale?
14. What is the general rate of remuneration given by contractors to the fishermen?
15. What are the average daily earnings?
16. Are there any taxes on the fishermen?
17. Are fish taken in sufficient quantities to supply the local market?
18. Are more fish taken than can be sold?
19. If more fish were taken could they be sold?
20. What castes eat fish?
21. Do they prefer it fresh or salted?
22. What is the fish-eating population of your talook or district?
23. Have the rents for fisheries increased or decreased of late years?
24. Have the fish increased or decreased of late years?

25. Have

*From each Tahsildar*—continued.

25. Have the fishing population increased or decreased of late years?
26. How many fishing boats go to sea?
27. Have they increased or decreased of late years?
28. Have the nets decreased or increased?
29. Are very small fish taken in any quantity?
30. What is the usual size of the mesh of the net?
31. What are the best fishing months in the sea?
32. What are the best fishing months in the fresh waters?
33. Are fish salted to any great extent?
34. How is the salt obtained?
35. Is salt earth employed?
36. Where and how is it obtained?
37. What is its value?
38. Is sea water taken to obtain salt from by the fresh curers?
39. Is the present quality of salt fish considered good?
40. Could an improved quality be sold if the price were not raised?
41. Is there a good market for salt fish, or could more be sold?
42. What classes eat salt fish?
43. Could the salting of fish be increased, and if so, how?
44. What are the chief fish salted?
45. Is salt fish exported?
46. Are fish cured by smoking?
47. Are fish roes salted?
48. Are fish dried?
49. Are fish fins preserved?
50. Are fish maws or sounds preserved?
51. To what other uses are fish turned besides being eaten fresh, or salted?
52. Are fish used as manure, and if so, how and for what sort of crops?
53. Are fish used for obtaining oil from, and if so, what sorts?
54. Is the oil obtained from the whole fish, or only from its liver?
55. Are fish used as medicines or charms?
56. Give the Native names of the most useful fish in your talook, with the size they grow to, and the months they breed.
57. What are the various modes of fishing?
58. What baits are employed?
59. Are rivers ever poisoned to obtain fish?
60. Are tanks laded out to obtain the fish?
61. Do crocodiles, otters, or other animals, destroy many fish in your talook?

*From the Curator, Madras Central Museum.*

1. A return of the Indian fresh-water fishes in the Museum, with the size and the district from which they have been obtained.
2. The same of the Indian salt-water fishes.

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From the same Officer, dated 7 December 1868.

1. I have the honour to forward my third and concluding report upon some of the fresh-water fisheries of the Madras Presidency, with remarks upon whether they are increasing, decreasing, or stationary, the reasons for the decrease where it is apparent, and what I believe would be the most effectual remedies.

2. In giving my plans of a new fish-pass, I have not mentioned employing it in a single vent of an under-sluice, for I doubt its succeeding in such situations for *Marine* species of fish, but doubtless it would act thus efficiently for migrating fresh-water species, and it might be tried in the Upper Coleroon anicut. I understand the cost would not exceed 50 rupees for each vent.

3. I should be obliged by Government being so good as to pass my bills for expenses incurred, which accompanied my two former reports.

4. I shall also be obliged, should my reports be put in type, by Government furnishing me with six copies of them to circulate to gentlemen particularly interested in fisheries, for the purpose of obtaining their opinions, as in this way valuable information is often elicited, and should I obtain such I shall be happy to furnish it to Government at a future date.

5. The plans alluded to in my report will be sent by book post, being too large to go by letter tappal.

(signed) *Francis Day*, on Special Duty.

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ORDER of the Madras Government, 30 April.

THE attention of Government having been drawn to the injurious effect of irrigation works on river fisheries, the Collectors of Godavery, Kistna, and Tanjore were called upon for certain information on the subject in the Proceedings of Government, under date 11th September 1867, No. 2,140.

2. The reports of these officers were forwarded to Government by the Board of Revenue, with their proceedings, under date 28th January 1868, No. 656, and disposed of in the Order, under date 27th May 1868, No. 1,468. The Government expressed

their opinion that, from the information contained in the papers submitted, there could be no question that in all the great rivers which flowed out on the East Coast of the Presidency, there were certain kinds of valuable fish, which came up from the sea to deposit their ova in the head waters of the rivers, but were intercepted by the anicuts, and then easily captured and destroyed in large numbers, with the roe in them. The diminution of the food supplies of the people was an inevitable result of this method of fishing, and the Government deemed the evil one of sufficient magnitude to justify their interfering to avert it.

3. As, however, the Board had requested Mr. Fraser, the Collector of Godavery, to inquire, while on leave in England, as to the best means of furnishing the fish with the means of surmounting the obstacles to their reaching their breeding waters, the Government deemed it advisable to await his return before undertaking any works for this purpose; but they resolved, in the meantime, to depute Dr. Day to inquire into, and make a comprehensive report on the whole subject in all its bearings.

4. Subsequently, a letter from the Government of India was received, requesting that Dr. Day's attention might be called to the practical aspect of the question, as well as to its scientific bearings, and that information might be obtained, (1), as to what fish constituted a practically important portion of the food of the people; (2), which of those migrate for the purpose of depositing their spawn; (3), among migrating fish what are those which live entirely in fresh water, and what are those which pass from the sea or brackish water into the fresh river waters; and, (4), what are the precise habits of each of these classes of fish as to their migrations, both in respect to their extent up the rivers, and the season at which they occur; and also the season at which the young brood of fish are developed, and at which they descend the rivers. The Government of India also requested that Dr. Day might be directed to extend his inquiries to the rivers of the Orissa coast in the Bengal Presidency, and they inquired whether any wanton destruction of fish took place in the inland rivers of the Madras Presidency.

5. In the Order of Government, under date 12th August 1868, No. 2,151, Dr. Day's special attention was drawn to the points for inquiry indicated by the Government of India, and he was directed to visit the rivers of the Orissa coast. The Board of Revenue were also requested to ascertain from Collectors of districts, whether any wanton destruction of fish took place in the inland rivers.

6. In conformity with these orders, Dr. Day has now submitted three interesting and valuable reports, summarising in his third the information contained in his first and second. He examined the Coleroon and Cauvery rivers in the south, then returned northwards to Madras, inquiring into some of the tank fisheries on his way, and making a short detour to the Palar river in North Arcot. From Madras he proceeded by steamer to Masulipatam, from which place he investigated the fisheries in the Kistna and Godavery rivers. From thence he passed to the Ganjam district, landing at Gopalpore, where he inquired into the sea and fresh-water fisheries, and proceeded to the Chilka Lake, *viâ* Berhampore, Chetterpore, Ganjam, and Rumbah.

7. Though Dr. Day does not give any precise information as to the particular fish which form any material portion of the food of the people in each locality, the result of his inquiries shows that in all parts of the country which have been visited by him, there is usually a ready market for fish, and that it frequently happens that the fishermen are unable to meet the local demand.

* Dated 7th December 1868.

8. In paragraphs 5, 6, 7, and 8 of his third report,* he gives an interesting account of several kinds of fish which fall into the three classes: Non-migratory fresh-water fishes; migratory fresh-water fishes; and migratory sea-fishes which ascend the rivers; but precise and detailed particulars of the character, desired by the Government of India in regard to the habits, &c. of each class, have not apparently been obtained, though much information of a general nature is submitted.

9. It seems from Dr. Day's inquiries that there is a general decrease of the supply of fish both in rivers and tanks, except in the Ganjam District; that the decrease in the Cauvery and Coleroon rivers, and in the Kistna and Godavery is to be ascribed, in a great measure, to the construction of the anicuts, which undoubtedly have the effect of preventing the fish generally from proceeding up the rivers to their breeding waters, and also act as obstacles to the young fish when returning seawards. It appears also that large numbers of fish are caught close under the anicuts in their endeavours to ascend. Dr. Day, however, does not ascribe the decrease in the supply of fish solely to this cause. The principal reason he considers to be the wanton destruction of fry, which takes place owing to the small mesh of the nets used by the fishermen, and the indiscriminate fishing which usually takes place.

10. The remedies suggested by Dr. Day, are, (1), that all pieces of water sufficiently large for fishing, which are not navigated, as a rule, by sea-going vessels, should be leased out, in order to give a distinct interest to some person in preventing indiscriminate fishing; (2), that provision should be made in the contracts for the protection of fish in regard to the size of the mesh used, the periods and localities for fishing, the draining off of water

in

in tanks, and the poisoning of rivers. He also recommends that fish-passes, of which he submits an improved pattern, should be constructed at the anicuts to enable the fish to pass over them, and that rewards should be given for the destruction of vermin which are known to destroy fish. He is not in favour of prescribing fence-months, as some fish are best suited for the table during the breeding season. He would, however, prohibit fishing during certain months in the irrigation channels, through which the young fish pass downwards towards the sea.

11. In conclusion, Dr. Day recommends that a complete inquiry into the whole of the fisheries of the Madras Presidency, both sea and inland, should be undertaken; and he appends a list of questions which he proposes should be circulated to certain officers.

12. The Right Honourable the Governor in Council considers the adoption of Dr. Day's proposals to be highly expedient, and accordingly resolves to direct the Board of Revenue at once to take steps for putting his suggestions in force in all districts from the 1st of July next. The Board will also be instructed to combine the three sets of questions proposed in such a manner as to obtain from Collectors all the information which Dr. Day seeks.

13. The subject of the fish-passes which Dr. Day proposes to erect for the present at the Bezwadah and Lower anicuts only, on the Kistna and Coleroon rivers, will be referred to the Public Works Department for their opinion, as to whether Dr. Day's improved pass is the most suitable that can be devised for the purpose intended, and should such be the case, orders will be issued from that department for the construction of a fish-pass of this pattern at each anicut.

14. The Government resolve also to refer to the Board of Revenue for inquiry, and report Dr. Day's remarks in his second report,* (paragraphs 8, 18, and 21), regarding the renting of fisheries by the Department of Public Works, and the taxing of the fishermen at Rajahmundry and Dowlaishweram.

* Dated 17th November 1868.

(True Extract.)

(signed) *R. A. Dalyell,* Acting Secretary to Government.

To Surgeon F. Day, M. D.
„ the Board of Revenue.
„ the Public Works Department.

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— No. 2. —

(Public Works Department.—Irrigation.)

From the Government of India to the Secretary of State for India.

My Lord Duke, 18 March 1869.

We have the honour to forward, for the information of Her Majesty's Government, the accompanying copy of a resolution recorded by us in connection with the discussion which has been raised in regard to the alleged destruction of fish by the weirs for irrigation works constructed on the rivers of Southern India.

2. You will observe that we have requested the Madras Government to place at our disposal the services of Dr. Day, a gentleman who has given his attention to the special study of Indian fish, for the purpose of his completing a comprehensive inquiry into the whole question of the fisheries of Indian rivers and seas. Copies of the reports submitted by Dr. Day will be forwarded for the information of Her Majesty's Government in due course.

3. We trust that the arrangements made by us will be approved by your Grace.

We have, &c.
(signed) *Mayo.*
*W. R. Mansfield.*
*H. M. Durand.*
*H. S. Maine.*
*John Strachey.*
*R. Temple.*

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## Enclosure in No. 2.

Government of India.—Public Works Department.—Irrigation.

Fort William, 11 March 1869.

### Destruction of Fish in Indian Rivers.

### Resolution of the Government of India.

*Observations.*—The discussion which has taken place on this subject originated with a letter from Major General Sir Arthur Cotton, in which attention was directed to the large quantities of fish that were destroyed annually by the weirs for irrigation works, constructed on the rivers of Southern India. The inquiries instituted under the orders of the Madras Government (with reference to the rivers of which Province the discussion originated) clearly established the fact that very extensive destruction of fish does take place owing to the existence of these weirs on the rivers. But it was apparent that before anything could be done towards the mitigation of the evil, more precise information as to the facts was necessary, and with this view the Government of Madras deputed Dr. Day, an officer of the Madras Medical Service, who has made the study of the fish of India the special subject of his attention for many years, to inquire and report on the matter in all its bearings, so far as the chief rivers of Madras were concerned.

2. As the questions to be investigated by Dr. Day seemed to be connected with the control of the rivers and canals of the country, it was determined that they should henceforth be dealt with by the Government of India in the Public Works Department, to which Department, therefore, all future communications on this subject should be addressed.

3. At the request of the Government of India, Dr. Day was allowed by the Madras Government to extend his inquiries to the rivers on the Orissa coast. His investigation of the condition of the fresh water fisheries in Orissa, and in the Midnapoor district, has now been completed, and Dr. Day reports that he is engaged in completing his report. In this letter Dr. Day states in a preliminary way the results of the observations made by him, and suggests that he might usefully be allowed to extend his investigations up the Burhampooter through Assam, and subsequently to the rivers of British Burmah; that the inquiry might then be carried up the Ganges to the north-west, and down the Indus to the sea at Kurrachee, when the sea fisheries, first of the western, and then of the eastern coast should be inquired into.

4. The Governor General in Council is of opinion that great scientific advantage will be secured by entrusting the examination of all the waters of India to a single naturalist so well able to deal with his subject as Dr. Day is believed to be. His Excellency in Council considers that this is the only way in which a precise knowledge of the facts relating to the inland and sea fisheries of India is likely to be gained, and even if no very great practical immediate good accrues from Dr. Day's inquiries, they will afford him opportunities of completing his scientific knowledge of the fish of India, in which it appears most proper that he should be aided as far as is possible.

5. His Excellency in Council believes that the time has come when the great importance of obtaining exact information as to the natural capabilities of the land and water contained in this vast empire, and of stimulating the practical application of those capabilities to useful ends, is beginning to be more clearly and fully appreciated. All success in what are known as the useful arts of life depends on the skilful adaptation to our purposes and operations of the forces of nature. In no part of the earth is the energy of nature more great than in India, and no country affords a more hopeful field for extending its productive resources. The utilization to the utmost of the fisheries of the rivers and the coasts as sources of food to the population, the adoption of rules to prevent injurious over-fishing where that is found to occur, the removal of natural or artificial obstacles to the free reproduction of fish in the rivers, the regulation of the fishing in Government canals and other waters, the facilitating of the salting and curing of fish, and of the extraction of fish oil and isinglass are, with other matters which need not be specially mentioned, of evident great public importance, and demand the attention of the Government as being likely, under suitable arrangements, to add largely to the resources both of the people and the state.

6. The Governor General in Council will, therefore, request the Madras Government to place the services of Dr. Day at the temporary disposal of the Government of India to enable him to continue his inquiries on the comprehensive system which has been explained, and to submit a report on any matters relating to the utilization of the natural resources of the rivers and seas of India, which seem to him to deserve the attention of the Government.

7. Dr

7. Dr. Day may conveniently, as suggested by himself, furnish reports every three or four months of the progress made in his inquiries. Copies of such reports should be supplied by him to the Local Governments and administrations for any remarks they may desire to offer on the subject, and the Local Governments and administrations will be requested to issue the necessary orders for giving Dr. Day such assistance as he may require, and for facilitating his inquiries. Dr. Day will, of course, pay due attention to any suggestions made to him by the local authorities, and, so far as is practicable and consistent with the general scope of the investigation that has been indicated, arrange his plans so as to meet any wishes expressed on the subject by these authorities. A general review of the whole of the results of Dr. Day's inquiries will be hereafter made by the Government of India.

8. While thus employed, Dr. Day will continue to receive the emoluments of his permanent appointment, and may submit contingent bills for his *bonâ fide* travelling expenses.

9. These arrangements will be reported to the Secretary of State for confirmation; but, meanwhile, Dr. Day should commence the inquiries indicated in this resolution.

*Order.*—Ordered, that a copy of this resolution be forwarded to the Government of Fort St. George, with special reference to paragraph 6; to the Governments of Bombay, Bengal, the North Western Provinces and the Punjab; the Chief Commissioners of Oudh, the Central Provinces, and British Burmah; and to Dr. Day for information and guidance.

*Ordered* also, that a copy of the resolution be forwarded to the Home Department for information.

And further, that a copy be forwarded to the Financial Department for further consideration and the issue of the needful orders regarding Dr. Day's salary.

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— No. 3. —

(Public Works, No. 53.)

From the Secretary of State for India to His Excellency the Right Honourable the Governor General of India in Council.

My Lord, India Office, London, 17 June 1869.

Para. 1. I HAVE considered in council your Despatch dated 18th March 1869, on the subject of the inquiries that have been set on foot by your Government into the fisheries of the Indian seas and rivers.

2. The conservancy and control of the fisheries, and the measures suggested for the improvement of pisciculture throughout India, constitute subjects which certainly deserve attention from your Government, and I fully approve of the arrangements that have been made for the employment of Dr. Day on this investigation.

3. In carrying out your views, much will depend on the interest that is taken in the subject by local officers, to whom the advice and special knowledge of Dr. Day will be invaluable. Such officers as the collector of South Canara, whose report I have perused with much interest, should receive every encouragement, and I am glad to perceive that his suggestions have received the attention they certainly deserve from the Madras Government.

4. Copies of Dr. Day's reports should be forwarded to me as they are received.

I have, &c.
(signed) *Argyll.*

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# EAST INDIA (RIVER FISHERIES).

COPY of CORRESPONDENCE which has recently taken place between the Secretary of State for *India* and any of the Governments in *India* on the subject of the Preservation of the INDIAN RIVER FISHERIES; and of INSTRUCTIONS that have been given to the Commissioner appointed to inquire into the Measures necessary for that Purpose.

(*Sir Stafford Northcote.*)

*Ordered, by* The House of Commons, *to be Printed,*
9 *July* 1869.

[*Price* 8 *d.*]

315.

*Under* 8 *oz.*

# EAST INDIA (DEKKAN).

RETURN to an Address of the Honourable The House of Commons, dated 26 April 1866;—*for*,

"COPY of REPORT of the LAND TENURES of the *Dekkan* by the Statistical Reporter to the Government of *Bombay*."

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India Office,
30 April 1866.

M. HORNIDGE.
Statistical Reporter.

## REPORT on the LAND TENURES of the *Dekkan*, by Major *W. H. Sykes*, Statistical Reporter to the Government of Bombay.

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### CHAPTER I.

As an account of the tenures in the Dekkan involves the consideration of certain ancient Hindu offices, I beg to offer some preliminary observations, which may possibly assist in throwing light on the former state of the country, now called Mahárashtra, and its institutions. The Mahrattas do not pretend to be the aborigines; they have a tradition that they came from the north, and that they are of Rájpút origin. The question follows, who then were their predecessors?

The stupendous monuments of human perseverance, taste, and religious zeal; the wonderfully excavated cave-temples, refectories, chambers, reservoirs, and common halls, surrounded by cells, indicating that their object was the accommodation of monastic fraternities at Ellora, Junir, Nanaghát, Karlé, Sashtí, or Salsette, and other places, assist in solving this question. They bear silent but convincing testimony that the country was anciently possessed by a people who had nothing in common with the present inhabitants in objects of religious worship, in religious architecture, in personal appearance (judging from the alto-relievos of figures), or in the graphic characters used to express ideas. That this ancient people were Buddhists is proved from similar objects of worship, similar temples, chambers, and inscriptions existing at the present day amongst Buddhists, or as relics of Buddhism in Ceylon, in Birma, and in the island of Bali, adjoining to Java; and particularly in the Buddh alphabet of Bali (agreeably to specimens furnished by Sir Stamford Raffles in his "Java"), resolving itself into that of the Buddhists of the Dekkan, as met with in inscriptions common to both countries; and by its aid, at a future period, should the language prove to be the same, the history of the excavations in the Dekkan and at Salsette may become known.

How the ancient inhabitants disappeared from Mahárashtra so entirely as not to leave a tradition even respecting themselves (the Mahrattas referring all the Buddha cave-temples to their own heroes, the Pándava princes), is an object of curious, but apparently hopeless, inquiry. By the help, however, of numerous existing Hindú commemorative stones, a clue is afforded to this mystery. These stones are everywhere met with from the open plains bordering on the Carnatic, to the solitudes and fastnesses of the hill-fort of Harichandraghur, in the western Ghats. They are usually found within the limits of the temples dedicated to Mahádéva, and rarely in isolated situations. In one instance, the outline of one, with its figures, is *traced* on the walls of a Buddha cave at Junir, but the figures are not worked out into relief, and the work is evidently subsequent and extraneous to the completion of the temple. The present people do not distinctly appreciate their object, the few tales attached to them being

contradictory and puerile: but they tell their own history, I think, succinctly and perspicuously. They are in form like the flat, perpendicular gravestones frequent in churchyards in England, and sometimes as a square pillar. One side is divided into four compartments placed above each other, and the whole contain figures in bas-relief. The upper compartment has the Linga, the symbol of Mahádéva, sculptured on it, with figures worshipping. In the compartment next below there is a male personage, armed with a short broad dagger, attended by females; the whole of them are in dancing or joyous attitudes. In the third compartment the male personage of the second compartment is engaged in battle against numerous foes; and on some stones this personage is recognised as being one of the worshippers of the Linga in the upper compartment. In the lowest compartment there is a man apparently dead, and the presence of antelopes indicates that he has been driven to the wilds far from the haunts of men. May we not give the following reading of these interesting sculptures:—The country was inhabited by Buddhists; it was invaded by worshippers of the Linga; the worship of Buddha put down, and his followers extirpated or driven out, and the Linga and its followers succeeded. Of the expulsion of the Buddhists there is auxiliary proof in the traditions of the Buddhists of Birma and Java, which refer their origin to Ceylon and India. The invader may have been Ráma Chandra, evidently no allegorical personage, nor of the remotest antiquity, who marched against Rávana, the Buddha king of Ceylon; and the new settlers of the tracts deserted by the Buddhists may have been an auxiliary nation in the army of Ráma, or part of the subjects of his native kingdom. If this people were the ancestors of the present Mahrattas at the period of their settlement, their numbers were probably limited, for it is asserted that there are but 96 family names, or surnames, in the Mahratta nation; and so satisfied are persons of the same name of their descent from a common ancestor, that these families cannot intermarry, however distant the ties of blood may now be by the spreading ramifications of ages of collateral descent. If there were any contests for the establishment of the Linga in the Dekkan, the prevalence of its worship at the present moment manifests their successful issue. With the Mahrattas this symbol has always been peculiarly an object of reverence, and, for the most part, Mahádéva, or his attributes, are their Kulaswámis, or household gods; and the oldest temples, as well those cut out of the rocks at Ellora and Elephanta as those buried in the lofty and gloomy woods of the Ghâts, are dedicated to it.

If the Mahrattas were the immediate successors of the Buddhists, whose extirpation or expulsion was complete, they would, in taking possession of the country, have been unfettered in every respect, and their institutions would have been fixed simultaneously with a common object. We may suppose the deserted villages at once peopled by the new race, and the lands shared by the prince, his chiefs, and the Mahratta soldiery. Individual shares or allotments might, naturally enough, have been distinguished by the name of their first possessors. The mode of succession to property amongst Hindús would make these allotments hereditary, without at all affecting any reserved paramount rights of the prince. Artisans, *religieux*, and others, followers of the troops, would not have had any substantive claims upon the conquered possessions; but their presence being necessary for the internal economy, the well-being, and comfort of a village, provision would be made for them by fees in kind from the possessors of these Thals or estates, at a period when it may be doubted whether a money circulating medium obtained to any extent. The Mahratta who had enjoyed the greatest consideration amongst his compatriots when serving with the army, would remain the chief or Patél, or the office might have been conferred by the prince. In village accounts the lettered Bráhman would be made use of. For the general administration of the country, villages would be thrown together into districts, officers appointed over them, and over these last there would probably be a connecting link with the prince. All offices of trust, emolument, or power would necessarily be in the hands of Mahrattas; and those of accounts in the hands of Bráhmans, from their knowledge of letters. How far the present state of Hindú institutions in the Dekkan, which have any pretensions to antiquity, sanctions these assumptions, the following investigation of various tenures will perhaps assist to develope.

## Chapter II.

The institutions and functionaries for the civil government of the country, at the period of the Musalmân invasion, are said to have been as follows, and they remain nearly the same at the present day.

All lands were classed within some village boundary or other. Villages had a constitution for their internal government, consisting of the patél or chief, assisted by a chaugula, the kulkarní, or village accountant, and the well-known village officers, the baráballotí; the numbers of the latter were complete or not, according to the population of the village, and the consequent means of supporting them. A few villages constituted a náikwari, over which was an officer with the designation of náik. Eighty-four villages constituted a désmukh, equivalent to a pargana, or county. Over this number was placed a désmukh, as governor, assisted by a déschaugula; and, for the branch of accounts there was a déspánd, or district accountant and registrar. The links connecting the Désmukhs with the prince were the Sir-Désmukhs, or heads of the Désmukhs; they were few in number. It is said there were also Sar-Déspands. The Sar-Désmukhs, Désmukhs, Náiks, Patéls, and Chaugulas, in short, all persons in authority, were Máhrattas; the writers and accountants were mostly Bráhmans.

The division of the country into Súbahs, Tálluks, Parganahs, and Tarafs, is comparatively recent; the whole of the names for such divisions being of Musalmán origin.

My earliest inquiries led me to believe that the lands of villages were divided into hereditary family estates, called Thals, bearing the names of ancient Mahratta families, the descendants of which were then in possession of them, or bearing the names of extinct families, of whose ancient possession tradition bore testimony. The results of six years' research were confirmatory of these points. The lands of extinct families were, and still are, called Gat-Kul, from the Sanskrit *gata*, gone, passed away, and *kula*, a race, family. Under all changes of Government and new proprietary, the family names by which they were originally distinguished have rarely been disturbed, and it is probable that they are handed down from very remote times. The law of succession by primogeniture not obtaining amongst the Hindús, it is probable that, in the second generation from the original proprietor, the estates would be divided, and come into the possession of two or more males of the same family; and that, as the branches multiplied, the individual shares diminished in size, until each was no longer equal to the support of one person. So circumstanced, the smaller proprietors must have sought means of subsistence elsewhere. But it is very remarkable, that the greater part of the lands examined by me (and, I believe, in the Dekkan generally) are gat-kul; and the usual law of nature appears to have been so far inoperative, that very many of the families of the original proprietors have disappeared. Even in those families still in possession, in rare instances only have I met with such an increase as to impose on the cadets the necessity of abandoning their kindred and lands. I have frequently found the representative of an ancient house, and the consequent proprietor of a whole thal, or estate, a childless, helpless, and poverty-stricken old man, or an infant, or a young man employed as a labourer under the farmer of his own property. At Nímbí, Parganah-Kardé, in the Nagar collectorate, there were 23 thals, of which 18 were gat-kul; at Kothul, nine thals and five gat-kul. In the first case 18 families are extinct out of 23, and, in the second, five out of nine.

At Wangi, a town on the Bíma river, lately transferred by the Nizám to the British, although for ages under a Musalmán government, and although the town-lands are not distinguished in the Kulkarní's public papers by thals, yet the number of the thals, their names and limits, were well known; while seven-tenths of the families to which they formerly belonged were extinct. At Karkamb, a flourishing town near Pandarpúr, belonging to the Patwardan family, thals exist; but only two representatives of two ancient families remain of all those formerly in possession. At Wangi, in the Parganah of Mandrúp, bordering on the Carnatic, only three Mírásdárs remain. At the village of Belwandi, Parganah Kardeh, Ahmednagar collectorate, belonging to his Highness Sindiah, there was not a single representative of an ancient family remaining in A.D. 1827,

the whole of the lands being gat-kul. There were, nevertheless, some half-a-dozen Mírásdárs, who had purchased their lands from the Patél 26 or 27 years back. The Kulkarní even denied the existence of thals, or estates; but one of the Mírásdárs having told me that he had his land on the thal of an extinct family, I urged their existence so strenuously, that a thaljárá, or list of the estates into which the village lands are divided, was at last reluctantly produced—an old worn paper, dated Sakhi 1698, A.D. 1777. In this list I found the thals minutely detailed, together with their possessors, the number and names of the Mírásdárs who had purchased mírás rights from the village authorities, on the thals that had become gat-kul; and, finally, the names of the different úparís renting land on the thals. In 1827, there was not a single person alive a descendant from the possessors of the thals or mírás rights in 1777; and, but for this paper, it might well have been doubted whether thals had ever existed in Belwandí. It would appear, that in Holkar's inroad into the Dekkan, in 1802, war, famine, pestilence, or flight, had depopulated the village; that the few people that returned died subsequently, and that, in consequence, there was not an ancient heritor remaining. The joint Patéls claimed to be so, but as their family names did not correspond with any of the names of thals in the above-mentioned list, they were evidently *parvenus*. Were other proofs wanting, the existence of a thaljárá under such peculiar circumstances is fully sufficient to establish the division of lands into family estates. It is gratifying, however, to find that even at the seat of the Musalmán government of the Nizám Sháhí kings, the ancient Mahratta land institutions have continued unchanged. The lands of Bagh Roza, one of the constituent villages of Ahmednagar, are divided into thals, each having a Hind family name, with descendants of the original proprietors in possession of many of them. It might have been supposed that the Musalmáns would have dispossessed the Hindús; but with the single exception of one thal, which from time immemorial has been in the possession of the descendants of Husain Khán, whose name it bears, there is not a Musalmán name to any of the thals. At the village of Taklí, Taraf Khatgáon, 10 miles west of Ahmednagar, thals had certainly disappeared. There was not a thaljárá; the inhabitants knew nothing of such a division of the lands; and the few persons of a similar surname, who claimed to be mírásdárs in the village, instead of being possessors of contiguous lands, which would have been the case had they been lineal or collateral heritors of a thal, had their lands widely dispersed. From thals being unknown at Taklí, it is probable that the village at one time was entirely depopulated, and the village papers lost. There is certainly no proof of their former existence; but as I have shown that their existence was denied at Belwandí, until an old thaljárá was produced; and as they are found to exist in a vast majority of the villages examined by me, the presumption is that they also once existed at Taklí. Such an impression appears to have obtained with our revenue authorities, for the whole of the lands of the village have been newly divided into thals; but the lands of persons of similar surnames, however widely separated, have been classed under one thal. Individuals have had thals named after them, and the village papers now present the almost unprecedented feature of a total want of gat-kul lands; and the village authorities seem to think that the whole of the present cultivators are established on hereditary rights. At the flourishing Jágír town of Wamorí, in the Gangatharí, thals do not exist, but an equivalent exists in the lands being classed by families on a list called jamín jahra jatéhwar. This list consists of 34 jathas or families. They consist of a greater or less number of individuals, and holding a greater or less portion of land, but seldom in contiguous parcels, all of which are divided into fields called tíkas, each field having a name. The Patárá family (one of the five Patéls) have 41,016 bíghas (or 30,762 acres), divided into a multitude of fields, or tíkas; but there is not any thal or tíka called Patárá. The Phagreh family, consisting of four houses, have twelve tíkas, or fields, on different parts of the village lands, but there is not a Phagreh thal or Phagreh tíka. The same observation applies to the rest. This want of accordance between the names of the estates and the names of their present owners, is plainly indicative of comparatively recent proprietary. This is admitted by the inhabitants, who say that Wamorí in former times was frequently destroyed by the Bhíls. The inhabitants fled; the lands lay waste; part of the Patél and Kulkarnís' families returned after each devastation, and appropriated to themselves such lands as they chose (witness

the

the Patárá family with more than 30,000 acres). The rest of the lands were allowed to be occupied by strangers; and it is admitted that the settlement of all the inhabitants, with the exception of the Patél families, is within 50 years; and the Patéls only returned to their lands after long absences. It may well be supposed, therefore, that it was for the interest of the Patéls to disregard Thals. The new settlers could know little about them; and they have disappeared. Thals had also disappeared at the town of Barágáon Nandúr, on the Múl river, until the British restored them. After Holkar's incursion in 1802, the town was wholly abandoned for a year; it has since been thrice devastated by the Bhíls, and, in the confusion consequent on these events, the limits of family possessions were lost.

The former existence of Thals, however, is asserted by the people. The land-list is now kept in Tíkas, or fields, which do not bear the names of their present owners. At Sindiah's large town of Jamgáon, eighteen miles west of Ahmednagar, the Thal system exists, although most of the Thals are Gat-kul. The same is the case at Rámjangáon, Taraf-Rámjangáon, also belonging to Sindiah, where only five hereditary families remain. At Alkúlí Pargana Kardé, an alienated town, the whole of the lands are divided into family estates; but were I to name all the places where the Thal system still obtains, it would be necessary to supply a list of three-fourths of the towns and villages in the collectorates of Púnah and Ahmednagar. Where Thals have disappeared, as at Wamorí, Taklí, Belwandí, Baragáon, Nandúr, &c., there is presumptive evidence of their former existence. From personal observation and inquiry, therefore, and from the concurring testimony of cultivators in different parts of the country, I fully believe that the whole of the lands of the Dés, or campaign country, within the extensive boundaries to which my researches refer, were at one time divided into hereditary family properties. The proof of their hereditary character is involved in the fact of persons being still in possession of lands bearing their own names, which lands the village documents testify to their ancestors having been in possession of nearly a century and a half ago. It must be admitted, that in the hilly tracts along the Ghats, called the Mawals, the Thal system is more rare than in the Dés, or campaign country, although still met with in villages where the lands are tolerably flat, and admit of extensive contiguous cultivation. Its greater rarity is to be accounted for in the character of the country, which, for the most part, allows of cultivation being carried on only in small separate patches; in the great extent of the village lands proportioned to the population, which admits of a yearly choice of new spots, and the consequent want of local value to ground; in the mixed constituents of the population, the greater part of which consists of Kohlís, whose habits and opinions are not wholly in accordance with those of the Mahrattas; and finally, the systematic divisions in the campaign country (of the ancient and perfect existence of which there are so many proofs), may not have penetrated the fastnesses of the hills. Thals, however, existed amongst the Kohlís; for, at the town of Ghoreh, where the Thals are in possession of Mahrattas, they bear Kohlí names.

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## Chapter III.

The existence of hereditary estates being established, the tenures on which they were held will be best illustrated by an account of the relation in which the proprietors of portions of them stood, and still stand, to the government. Persons so holding lands are called Mírásdárs, a term of Arabic origin, from *Mirás*, heritage, patrimony. They are of two kinds, those who are descendants of the original proprietors of Thals, and those who have purchased lands from the descendants of the original proprietors, or from the village authorities, who had at their disposal the lands of extinct families. In no instance that I am aware of, have the former documentary proofs of their rights. With the latter, documentary proof is not uncommon, in the shape of a paper called a Mírás Patta, or letter of inheritance, which is witnessed not only by the authorities of the village where the letter is granted, but by those of neighbouring villages, and by the Désmukh and Déspánd of the district, and the privity of government is consequently implied.

The term Mírásdár has superseded the ancient Hindú terms Thulkarí, Thulwahí. These terms are known at present to the Mahrattas, but they are rarely used. In an award, however, on a dispute regarding shares in the office of the Patêl of Kawítah-Parganah-Pábal, dated 104 years ago, of which I possess a copy, the term Mírásdár is not met with, although Mírás is—Thalwahí being the only distinctive appellation for the cultivator. Whatever may have been the meaning of the Hindú terms, the Musalmáns who, no doubt, introduced the appellation Mírásdár, in doing so, ostensibly acknowledged an hereditary right to land in that portion of the people whom they had conquered, denominated Thalwahí and Thalkarí; and, by applying the term Hakkdár, of Arabic origin, to the Désmukh, or Désáí, and Déspandah, the district officers whom they found in the country on their arrival, they acknowledged hereditary officers also. In these concessions the Musalmáns did not intend to make any practical sacrifice of their rights as conquerors, but the terms themselves are sufficiently illustrative of their appreciation of the tenures they found in the country on their arrival.

Mírásdárs of the present day claim a right to the personal occupancy of their land so long as they pay the Government assessments on it; and in case of failure in the payment of the Government dues, and the consequent forfeiture of the right of occupancy, they claim the right to resume it whenever they can pay their arrears, and also to mortgage or sell it at pleasure.

The land-tax is asserted to have been fixed, and there is no reason to doubt it, as all Mírás land still continues to pay the *Sosthí-dar*, or what is deemed the permanent tax; but Government, at pleasure, could put extra cesses on it, and thus neutralise the advantages of a permanent tax, and render the Mírás tenures valueless. I have to remark, also, that in an examination of the papers of many villages between the Bíma and Sína rivers, transferred by the Nizám to the British, in no instance did I meet with the terms Watan Mírás, or Gat-kul, in the official classification of the village lands, although these villages were immediately under the administration of a noble Mahratta family, and Thals, Watandárs, and Mírásdárs, existed in them. It is probable, therefore, that the Musalmáns took little count of Mírás rights, but they had not any motive to interfere with them so long as the Mírásdárs paid their taxes between man and man; therefore Mírás rights were operative; but it is idle to suppose, in the relation in which the Mírásdárs stood to a despotic government, that their rights existed otherwise than by sufferance, where the abuse of power was not subject to the salutary check of public opinion, and where there was as little hesitation in taking their lives as their property. The observation applies equally to Hindú as to Musalmán rule; but I am bound to express my belief that usurpation of the landed property of its subjects was rare under either government.

Although Mírás, or hereditary land, was assessed permanently, yet it was at a higher rate than any other land, at least if we judge from the difficulty discoverable in village papers for the last half century of letting waste land at the Mírás rate. This permanent assessment on the Mírás land was called, as I before stated, the Sosthí-dar; there was an extra tax also payable every three years, called Míráspattí, or a specific tax upon the hereditary land, being a kind of smart-money for the distinction which the term Mírásdár conferred. This tax is now in desuetude in many villages where Mírás land exists; for instance, at Kheir, Taraf, Rasín, &c. &c.

The Mírásdárs, also, were not exempt from any of those duties which government chose to impose on the population of certain villages conveniently situated to cut and carry grass to the government stables (which labour is now commuted into a money-tax under the name of Gawut-bígar), and they were also subject to the Désmukhs, Déspandahs, Patéls, Kulkarnis, and Ballotí's fees of grain. Notwithstanding all the above drawbacks, it is an undoubted fact that Mírás land was highly estimated, and tenaciously retained, even at a pecuniary loss. I am not aware that the Mírásdár had any advantages commensurate with the high rent, extra assessments, and other calls on his land and labour; he had certainly a voice in the village councils, which the Uparí, or mere renter, had not; but he could not rise to any authority in the Pándrí, or village corporation, unless he belonged to the Patél's family. In the western hilly tracts, Mr. W. Chaplin, commissioner in the Dekkan, states that he was exempt from marriage fees, widows' marriage fees, buffalo-tax, and sometimes house-tax; the

the last I observed to be the case in the district of Markoreh Poonah collectorate, but all other taxes in this district the Mírásdár paid in common with the Uparí. He had certain claims to precedence in festivities and ceremonies; he could sell his lands; and in former times, when there was a greater parity than now exists between the supply and consumption of agricultural produce, the lands had an intrinsic value, and were desirable possessions. It may be possible, but not probable, that his lands had an augmented value from the permanent land-tax, being less in former times than yearly tenants were compelled to pay for waste land. I have seen many Mírás Patras (letters of inheritance) granted by Mírásdárs, or by the Patéls and Kulkarnís, or by villages in different parts of the country, dated between 25 and 50 years back; but for the last 25 years land has not had a saleable value in the tracts traversed by me, unless probably in some rare instances, for the sites of houses in large towns. Consumption falls short of production; the value of agricultural produce is depreciated; the money assessments continue the same, or nearly so; and the grain, forage, and other cesses have been converted into money rates; the Mírásdár of the present day, therefore, is unquestionably in a worse situation than the Uparí, or mere renter. Mírás land has lost its value, although the abstract right to it may have been confirmed under us, and it will be found that the Mírásdárs will silently get rid of their highly assessed lands and rent Uktí lands, unless the assessments be equalised in both tenures. Of so little value are Mírás lands now, that in every village, it is not to be denied, very many Mírásdárs have abandoned them, and are absentees, and such absentees are called Parágandah.*

Before quitting the Mírásdár, it is requisite to notice that the term is usually considered by us as synonymous with Watandár; but, at the town of Veir, on the Bhíma river, below Pangáon, I found the Watandárs distinguished from the Mírásdárs in the village papers. The Watandárs were 27 in number, the Mírásdárs 15. In explanation of this distinction, the people said the Watandárs were the holders, or relations of the holders (with right of succession) of hereditary village offices; the Mírásdars being hereditary landowners. The Watandár was always a Mírásdár; but the Mírásdár, simply as such, was not necessarily a Watandár.

## Chapter IV.

From the extinction of numerous Mahratta families who were in possession of Thals, or hereditary estates, great part of the land in the country is without proprietors; in consequence, a very numerous class of occupiers is the Uparí. The proper meaning of this term is a stranger, or one who cultivates land in a village in which he has not any corporate rights. In practice he holds land on the Uktí tenure, which is a land-lease by a verbal agreement for one year. In this tenure the rates are not fixed; the parties make the best terms they can; but the Sosthí, or permanent rates, are insisted on as far as is practicable. Persons in authority, no doubt, take advantage of the Uktí tenure.

Formerly the Patéls and village corporation had the disposal of the Gatkul, or abandoned lands, of which I have ample proof in the proceedings of an assembly of Désmukhs, Déspandahs, and Patéls, held under the authority of one of the ministers of the Ráját of Sattarah (the Prathí Níthí) to decide on the right of different claimants to the office of Patél of the village of Kawítah-Parganah-Pábal. Cultivators holding lands on the Uktí tenure can throw them up at pleasure, making good the assessment for the year only; they are not subject to the triennial cess, like the Mírásdár; and at the end of the year they are free to make a new bargain, which, in modern times, is likely to be in their favour from the depreciated value of land and the difficulty of letting it. So lightly does this tenure sit on the people, that the term Sukh-wastí, unfettered, or inhabitant at his ease, is applied to the Uparí. I am not aware that he is subject to any tax to which the Mírásdár is not equally liable, if in some villages a house-tax be excepted. Mírásdárs are not interdicted from holding lands on the Uktí tenure.

## Chapter V.

The third land tenure is that of Kaul-Istiwá; kaul means contract, agreement; and istiwá is applied to land let under its value. In practice, to induce cultivators to break up land that has long lain waste, a lease is given for five, seven, or, at the most, nine years. The first year a trifling rent is fixed, which increases yearly in arithmetical progression until the fifth, seventh, or ninth year, when the full rent is paid. As it is not imperative on the cultivator to carry on the land after the expiration of the kaul-istiwá, this tenure is highly desired, and the longer the period the greater the profit to the lessee. As a system, however, it is injurious to the revenue, and unjust to the highly assessed mírásdár, whose means of realising his rents are diminished in the ratio of the extent to which kaul-istiwás are granted. Were it desirable to extend the cultivation and lessen the price of agricultural products, kaul-istiwás would be most effective. In prosecuting my inquiries I did not meet with any leases for a period exceeding a year at the full rate of assessment; land leases, therefore, of the character of those most common in England do not appear to be granted.

Any inhabitant of one village cultivating land in a neighbouring village, does so on the Owand tenure. The rate is the Uktí, and, with respect to the village, such cultivator is in fact an Uparí. His distinctive appellation, however, is Owand Karí.

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## Chapter VI.

The above are the tenures on which the Government land revenue is raised, which, in the four Collectorates of the Dekkan, amounts to 82·372 per cent. of the whole revenue. This per-centage includes, however, some trifling rents from Government lands, gardens, orchards, grass lands and sheep feeding, quit-rents, fees, hakkdárs, and extra cesses.

The following tenures involve alienations of land from a few bíghás in a village to whole districts. These are jágír and inám, in Khandesh; sarenjám, inám, and dómála, in the Ahmednagar collectorate; in the Poona collectorate, inám, sarenjám, and izáfat; in Dharwár, júrí inám, sarvá inám, and jágír. At least, such terms appear in the population returns sent to me, and in the public papers which I have had an opportunity of inspecting.

Jágír, which is a Persian word in its origin, is applied to lands given by Government for personal support, or as a fief for the maintenance of troops for the service of the State. Some service is implied in the personal as well as the military jágír. In the Collectorates in the Dekkan, upwards of 400 (populated) villages appear to be alienated in jágír.

Inám is a word of Arabic origin; it means a gift or present, and lands so held should be entirely free from tax to Government; but a subsequent explanation of various tenures will show that inám has a much wider signification than is generally supposed. This tenure is very extensive in the Dekkan. Independently of the grants of whole towns and villages to individuals, of which there are 231 alienated in the Poona Collectorate alone (and the other Collectorates have a proportionate share); independently of the grants for temples and religious institutions, &c. &c., almost every village has rent-free lands held by the patél, kulkarní, and mahrs, and very commonly the désmukhs and déspandehs have also land rent-free attached to their offices in the villages of their districts. The Ballotis, also, commonly have inám lands, but their inám is qualified by the imposition of some professional service, and is also quit-rent.

Many of the ináms are very curious; for instance, at Wangí, Parganah Wangí, Ahmednagar Collectorate, there are the following:

"To Antobah Gosawí, for reading stories at the Uchâos, or festivals of the goddess Dévi, 15 bíghás; to the Samel Gondlí, or tabor players at the temple, 15 bíghás; Málí, or gardener, for the supply of flowers for the temple, 30 bíghás; to the Kaláwants, and tumbling and dancing women (who are prostitutes), for exercising their profession in honour of the goddess, 30 bígáhs; the Gharseh, or clarionet players, who daily play before the idol, 15 bíghás; to the Hollar, or players on the daff, or double drum, 15 bíghâs."

These

These inâms existed even under the bigoted Musalmân government, and still remain. There are similar inâms at Karmâleh and many other places.

Amongst the curious inâms is that to the Mahan Bhâo, a Mahratta who abandons the affairs of life, wears black clothes, and incessantly calls on the name of Krishna. At Jehoor this personage has an inâm of 104 bîgahs.

Lands held in sarenjâm involve the condition of military service. The term is of Persian origin, meaning furniture, apparatus, implying that the lands are to defray the expenses of equipment: in fact, Sarenjâm is synonymous with military Jâgír. Captain Grant Duff explains "Sarenjâmí horseman" to mean, "a horseman furnished by a Jâgírdâr for the State." In the Poona Collectorate 181 villages appear alienated under this tenure.

Dómâla, in the etymology of the word, means two rights; from Do, two, and Mal, right, property. The term is only found in the lists of villages in the Ahmednagar collectorate, applied to villages and lands granted to individuals on which Government has a reserved right. In this sense, the tenure appears to be that of quit-rent; and the term is synonymous with the Jórí Inâm of the Dharwâr collectorate.

In the Ahmednagar collectorate, 581½ villages appear in the list as Dómâla. The term here is, no doubt, used simply to mean *alienated*, and includes Inâm and Jâgír villages. Captain Grant Duff, in his list of the villages of the Sattarah Government, uses the term Dómâla as *alienated*, qualifying it by the terms Khâlisagâon, Dómâla Amal, or Government villages with a small right, *alienated*. Dómâlagâon, Sarkarí Amal, *alienated* villages in which Government has a small right, and Daróbast Dómâla, or wholly alienated.

In the Poona collectorate the term Izâfat occurs, applied to 37½ villages, in the Parganahs of Indapúr, Kheir, Hawailí, Nâneh, and Ander Mawuls and Indí. This word is probably corrupted from Ziâfat, of Arabic origin, meaning feast or entertainment. Lands so held are rent-free; the tenure, in fact, being that of Sarwa Inâm. Trimbuck Rao Narrain, the Muâmaladâr, or native collector, of Joonar, who had charge of different Ta'alluks, in which were Izâfat villages, considered the term as applicable only to those villages held by the Désmukhs and Déspandahs in virtue of their offices.

In the Dharwar collectorate, the terms Jórí Inâm, Sarwa Inâm, and Jâgír, occur. Jórí Inâm, in the English abstract of the Government lists of the towns and villages, appears, as a quit-rent tenure, Sarwa Inâm, Sarwa meaning *all, wholly, entirely*, implying that the tenure is free from rent or tax, and is very properly distinguished from the Jórí Inâm, which is not the case in the other collectorates.

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## Chapter VII.

The Désmukh's office is certainly of considerable antiquity. Tradition states that the office was originally held only by Mahrattas, and in nine instances out of 10 it still continues to be held by them. The importance of the office is attested by the fact, that in the earliest mention of the chiefs of the present great Mahratta families, they are styled Désmukhs of such and such districts. Their rights were hereditary and saleable, wholly, or in part. The concurring testimony of the people proves the hereditary right; and the proof of the power to sell is found in Brâhmins and other castes, and some few Musalmâns being now sharers in the dignities, rights, and emoluments of Désmukh. At Ahmednagar, one-third of the Désmukhi belongs to a Brâhman, and two-thirds belong to the Nagpoor chief's family.

In many cases the Désmukh unites with his office that of Patél, or headman, of some village in his district. At Ahmednagar, the Brâhman, who is one-third Désmukh, is also Patél and Kulkarní, an almost unprecedented plurality.

The rights and emoluments of Désmukh are very extensive, but they are not uniform throughout the country. In the first place, they have a per-centage on the net revenue, collected in different ways, and varying from one to five per cent. In the Poona collectorate the mean charge for Désmukhs and Déspandahs is 3·06 per cent. on the gross revenue, but on the net revenue it amounts as nearly as possible to six per cent.; at Tacklí, Taraf Khatgâon, in the village papers, it appeared to be 1 rupee and 14½ annas per cent.; at

Parnair, Parganah Parnair, 1 rupee and 13 ½ annas per cent.; at Wangí Parganah Wangí, the Désmukh and Déspandah, by the village papers, appeared to be entitled to share 8 rupees and 3 ¼ annas per cent. on the net collections, a very large and unusual per centage.

These details are illustrative of their varying claims on the revenue. The next advantage consists in some of them enjoying villages in free gift. The third is in possessing Inam land in many villages of their districts. In some instances the quantity is of great magnitude. At Moholtálluk Mohol, the two sharers in the office of Désmukh have each 600 bíghas (450 acres) of free land. At Parnair, Parganah Parnair, the three sharers in the office, and the Kulkarní, and one or two Gósawís, have 1,004 ½ bíghás of free land. The fourth right of the Désmukh is that of a portion of grain called Gúgrí, from all the land under cultivation in their districts. It varies in different villages, but the aggregate amount is very considerable.

In addition to the grain rights, they have other claims on villages. At Wamúrí, Taraf Rahúrí, I found the Désmukh entitled to a sheep, and to a rupee's worth of ghí,* annually; in lieu of which two rupees appeared in the village expenses as paid to him. Where sugar-cane is grown, they get a portion of the Gúl.† At Angur, Parganah Mohol, Poonah collectorate, a charge of 26 rupees appears in the village papers, for a present of a dress to the Désmukh; they have also complicated rights on the customs.

The Désmukhs were, no doubt, originally appointed by Government, and they possessed all the above advantages, on the tenure of collecting and being responsible for the revenue, for superintending the cultivation and police of their districts, and carrying into effect all orders of Government. They were, in fact, to a district what a Patél is to a village; in short, were charged with its whole Government.

That their duties are in abeyance is no fault of their own. Under the Musalmán, and subsequently under the Bráhman Government, and at present under our own Government, their functions have been suspended; but under Musalmáns, Bráhmans, and Christians, they have had the rare fortune to preserve the advantages and emoluments of their office untouched.

## Chapter VIII.

The Déspandahs are contemporary in their institution with the Désmukhs; they are the writers and accountants of the latter, and are always Bráhmans; they are to districts what Kulkarnís are to villages. Like the Désmukhs they have a per-centage on the revenue, Inám village, and Inám lands, Gúgrí, or grain-rights, and trifling miscellaneous rights of Ghí, Gúl, &c. But these rights are in a diminished ratio of from 25 to 50 per cent. below those of the Désmukhs.

At Mohol, I found the Déspandah Apají Baolí possessing rights in 57 company's villages, and in six Inám villages, comprising a per-centage on their revenue, Inám lands, and Gúgrí, in most of them. He had a list arranged in a tabular form, called Patrak Jamín Jarha Mozehwur, or details of the land, Ináms, garden and field cultivation, assessments, &c. &c. in each village in his district, which afforded by inspection every requisite information. The Gúgrí rights of the Déspandah, on the lands of the town of Mohol, were 48 sérs of grain for every 30 bíghás under cultivation.

The duties to government of the Déspandahs, were to keep detailed accounts of the revenue of their districts, and to furnish government with copies; they were also writers, accountants, and registrars, within their own limits. I have stated, that the functions of the Désmukhs and Déspandahs are in abeyance, and government is consequently put to the expense of other officers to execute the duties for which they continue to be so richly paid. If they be objected to on the score of their want of probity, the numerous dismissals of our Muámalahdárs, native collectors, in the different collectorates, indicate a parity of moral turpitude. But in the case of the hereditary officers, the government would possess a very important check upon their dishonesty in the ability to abrogate their hereditary rights, which would involve themselves and families in ruin. In the case of our Muámalahdárs, who are mostly foreigners and adventurers,

* Ghí, Clarified Butter. † Gúl, Raw Sugar.

adventurers, or dissatisfied adherents of the late Bráhman government, independently of their natural cupidity, the necessity of providing for their families prompts them to peculate, and risk a discovery, which costs them rarely more than dismissal. If the old officers be objected to for want of knowledge or ability, the reply is, who are so likely to be intimately acquainted with all village revenue details as those who have rights, the annual value of which is in the ratio of the extent of village cultivation, which a personal superintendence only can ascertain? If they be objected to on account of their influence being exerted unfavourably for their masters—setting aside the inutility of such conduct under a vigorous government, and its impolicy from the valuable rights they have at stake—the probabilities of attachment are at least more in favour of the chief officers, the Désmukhs, who are Mahrattas, than of temporary Bráhman servants, who hate the British from caste, independently of a lurking hostility in all Bráhmans' breasts from our having subverted their temporal power. The Déspandah, however much he might be affected by the feelings of his sect, would necessarily be awed by a proper sense of the great and permanent value of his hereditary rights, the loss of which he would not lightly risk.

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## Chapter IX.

The next important tenure is that of the Patéls, usually called Potail, or head-men of towns and villages. This office, together with the village accountant's, is no doubt coeval with those of the Désmukh and Déspandah.

The term is Mahratta. I have not met with a trace of the appellation Gáora, alluded to by Captain Grant Duff, which is stated to me to be a Kanrí, or Carnatic word; and heads of villages are still called Gáor, within the boundaries of the Kanrí language. The Sanskrit term Grámadikarí, I am told by Bráhmans, would be descriptive of the lord or master of the village, equivalent to the present term Sarva Inámdár, rather than that of Patél—Grám, in Sanskrit, meaning village; Adíkar, the bearing of royal insignia, being pre-eminent.

Originally the Patéls were Mahrattas only; but sale, gift, or other causes, have extended the right to many other castes. A very great majority of Patéls, however, are still Mahrattas; their offices were hereditary and saleable, and many documentary proofs are still extant of such sales. I made a translation of one of these documents, dated 104 years ago; it was executed in the face of the country, and with the knowledge of the government. This paper fully illustrates all the rights, dignities, and emoluments of the office of Patél.

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## Chapter X.

The next village tenure is that of Kulkarní: the office is of very great importance, for the Kulkarní is not only the accountant of the government revenue, but he keeps the private accounts of each individual in the village, and is the general amanuensis—few of the cultivators, the Patéls frequently inclusive, being able to write or cypher for themselves. In no instance have I found this office held by any other caste than the Bráhmanical. I have previously mentioned that it is sometimes united to that of Déspandah, and also to that of the village Joshí, or astrologer, as at Taklí, Taraf Khatgáon, and Ahmednagar collectorate, where the Kulkarní has five and a half bíghás of Inám land as astrologer. Like the Patél he has Inám land, salary, fees of grain, and miscellaneous claims of Ghí, Gúl, &c. Sometimes, but rarely, he has equal rights in land, salary, and Gúgrí, with the Patél; but generally they vary from 25 to 75 per cent. below those of the Patél. At Angar, Parganah Mohol, the Kulkarní and Natíl have each a salary of 100 rupees, and 48 sérs of grain on every 30 bíghás of land under cultivation. The Kulkarní has not Inam lands, which the Patél has.

These instances are sufficient to illustrate the Kulkarní's rights, their number, want of uniformity, and varying value. The duties he has to perform have been already adverted to.

I know of few instances of the office being held by different families unconnected by the ties of blood; unlike the Désmukhs and Patéls, the Bráhman Kulkarnís have had the ingenuity, or good fortune, almost to prevent aliens from participating in their rights.

Male children succeed to the rights of their parents in equal proportions, unhappily to the great detriment of the public service and injury of the cultivators. Unlike the practice of the Désmukhs and Patéls, the executive duties are taken in succession by all the members of a family entitled to share in the rights and emoluments of the office. The consequence is, that, in a great majority of the offices, the duties fall to a new person annually, who is necessarily ignorant of the details of the preceding year, and in some cases it does not return to the same individual until after a lapse of 20 years. At Jamgáon, belonging to Sindiah, the family of the Kulkarní consists of six branches, and there are now 20 persons to take the duties successively. The reason of its not occurring to all individuals connected by ties of blood, after equal intervals of time, was stated to result from each family taking the office in succession for one year only. For instance, with four families to share, the first having one individual capable of executing the duties, the second two, the third three, and the fourth four;—to the individual of the first family the office would recur on the fifth year; but to the first individual of the second family it would only come again on the tenth year; to the first individual of the third family on the fifteenth year; and to the first individual of the fourth family on the twentieth year, &c. &c. In the southern districts I found the same system obtaining, and in prosecuting my inquiries through the country, in calling for village papers for examination, so many subterfuges and evasions were based on it, that I was repeatedly defeated in my attempts to get accounts of any particular year.

If the right to share equally in property cannot be interfered with, at least for the benefit of the public, and the interests of the cultivators, the executive duties should be confined to an individual, if not for life, certainly for a definite period not less than five years.

## Chapter XI.

A very important tenure in villages is that of the low-caste people, called Mahr by the Mahrattas, and Dhérs by the Musalmáns. They have Inám lands in all villages, divided into Harkí and Arôlah; the former is rent-free, and generally bears but a small proportion to the latter; the Arôlah is held on a quit-rent. In the neighbourhood of Júnar and at Kothul, Parganah Kothul Ahmednagar collectorate, I met with a new species of Mahrs Inám, called Sísolah; this is also rent-free, and held in addition to the two former. These Ináms vary in extent in different villages. In only one instance, in the large town of Jembourní, did it come to my knowledge that the Mahrs had not Inám lands, and in that place they had to perform all the customary duties for the government and the town, as if they had Inám lands. The Mahrs conceive that they have the right to mortgage or dispose of the lands held for the performance of specific duties, and I found the whole of the Mahrs Arôlah at the town of Mahr, Tar Mahrkohreh, Poonah collectorate, mortgaged to the Patél. They were originally mortgaged to the Désmukh for a sum of money, who transferred them to the Patel. Independently of their Harkí, Arôlah, and Sísolah, the Mahrs have a share of the cultivator's produce, whether garden or field; this is called their Ballúteh. Every village, in its original constitution, is said to have had 12 craftsmen and professions, who, in their several lines, had to perform all that the cultivators required to be done for themselves individually, and the village collectively. The smith and carpenter to mend their implements of husbandry, the barber to shave them, the washerman to wash their clothes, the potmaker to make pots, &c. &c. These 12 persons were paid or supported by an assessment in kind. They were divided into three classes, and obtained their share of ballotí agreeably to the class they stood in. In the first class were the carpenter, shoemaker, ironsmith, and Mahr; in the second class, the washerman, potmaker, barber, and Mang; and in the third, the waterman, the astrologer, the Gúrú, or cleaner of the temple, and the silversmith. Since the Musálman rule, the Maulana, or Musálman priest, has been added; and, in some villages

villages, the Kulkarní claims to share in the third class. I say nothing about Aluteh, as part of the village community; for no two persons agree with respect to the constituents of this class, and it is scarcely reasonable to suppose that the cultivator could ever have supported by fees in kind 12 additional persons, in case he paid 30 or 50 per cent. to Government; and I am told the Ballotí and Hakkdár rights stood him, on an average, 25 per cent., leaving him only 25 per cent. for his own maintenance and agricultural charges.

The Mahr, who shares in the first class, in consequence of his numerous duties, shares also again as a third class Ballotídár. The fee in kind appears to be a per-centage on the produce, but it is not uniform throughout the country; and very rarely indeed could I get either cultivator or Ballotídár to state specifically what the one gave, or the other looked upon himself entitled to receive, annually. It depended very much, I was told, upon the crops, and also upon the extent of services performed for each individual cultivator.

At the village of Sírár, Ahmednagar Collectorate, the first class Torli Khass Ballotídár is entitled to 300 gúrah, or bundles of the heads of Joárí and Bajrí, for every chahur, or 120 bíghás of land under culivation. The gúrah is of a definite size, about a foot in diameter, and of course there is a greater or less weight of heads of grain in the gúrah agreeably to the size of the heads.

The second class, or Madlí Khass, get 225 gúrah; the third class, or Dhaktí Khass, 175 gúrah each, upon 120 bíghás of cultivation. Of all other grains, excepting the above, the ballotídár gets a smilar number of passah, or as much as is contained in the hollow of one hand, with the fingers bent up as if to hold water. In practice, however, to save the trouble of this minute measurement, a basketful, supposed to contain the necessary quantity, is given.

The Ballotí fees, therefore, at Mehlungeh, cost the farmer 36 per cent. of his cheap grains. At Ankulnér, Ahmednagar Collectorate, the cultivators assured me they put by 25 per cent. of their produce for the whole of the Ballotí. With respect to sugar-cane, the classes get respectively for every kareh, or large copperful of juice, five, two and a half, and one and a quarter sugar-canes. Pro-

portions of onions, garlic, carrots, radishes, and garden-stuff generally, were given by the Wapha, or small square plots, into which garden lands are divided to facilitate irrigation. They get shares of a Wapha in the ratio of five, two, and one.

For the extensive advantages the Mahrs enjoy, they have numerous duties to perform to the state and to the village. I have been the more careful in my inquiries respecting them, particularly in alienated villages, where old customs may be supposed to remain unaffected by the change of Government, in consequence of our Government having waived its claims to the services of the Mahrs generally, on the ground of this class of persons in some few villages continuing to pay a trifling tax, called rabtah mahr, in lieu of performing personal services; but this tax was in lieu of services dependant on local circumstances, and not in lieu of customary duties. At Wangí, Parganah Mandrúp, sub-collectorate of Sholapúr, the Mahrs pay a rabtah of 24 rupees, the origin of which is as follows: Formerly, when Nímbalkar, of Karmalleh, who held Wangí, and an extensive tract along the Sína river in Jahgír, from the Nizám, had one of his pagas of horse stationed near Wangí, the Mahrs worked gratuitously for six months in the year, in the stables; on the removal of the paga, Nímbalkar levied a tax on the Mahrs, in place of six months' stable work, but did not remit any of their ordinary duties. In the 12 villages of the Mahr, Kohreh Poonah Collectorate, the rabtah is levied; but it is in lieu of the former specific duties of gratuitously supplying all Government officers who came into the district, and partly, also, the hill forts, with dry wood and grass; all other duties were unaffected by the tax. In explanation of this tax I was informed, that under the late government, when the Muámalahdár came into a district, all the Mahrs in turn were to give personal service in stabling his horses and those of his attendants, and in supplying wood and grass gratis, in carrying loads and going with messages, &c. &c.; and this duty continued for the time the Muámalahdár remained in the district. The calls for their services becoming unfrequent, in consequence, probably, of the introduction of the revenue-farming system, the district farmers levied the rabtah; but other duties, excepting the supply of wood and grass and stabling the horses, were unaffected by it. At the town of Kheir, Tálluk Kortí Ahmednagar Collectorate, the Mahrs

have 180 bíghás of Inám land; the rabtah is only 10 rupees. On desiring an enumeration of the duties of the Mahrs, I was told they had to supply wood and grass to Government officers and travellers, to act as guides, as porters to carry baggage, to go as messengers, and to perform all the customary village duties.

At the town of Kanúr, Taraf Kanúr, held in Jagír, I found the Mahrs' present duties were to cut grass and wood, to perform the duties of grooms for the Jágírdár and government officers, to carry loads, letters, packets, and messages, to act as guides, and to attend strangers. At the town of Kothul, Parganah Kothul, Ahmednagar Collectorate, the half of which belongs to the British, the Kulkarní, in one sweeping expression, said, the Mahrs had to perform all duties required by the government, or the Pandrí, without exception: they had at this place the two Ináms, Sísolah and Harkí, and the quit-rent Inám Aróláh. So essentially is the duty of cutting wood and grass associated with the office of the Mahrs, that their signature, in all public documents of the village, is a sickle or hatchet, and a rope, the former to cut grass and wood, and the latter to bind it up. Finally, a few words are necessary with respect to some strictly village duties of the Mahrs; they are the referees in all boundary disputes; they are the guardians of land-marks, and know the limits of each field; they get the cultivators together in collecting the revenue, and it is their duty to carry the money collected to the district collector; and they assist the Patél in his police duties. In no instance, in the course of my inquiries, did I find them performing watch and ward for the village, or made responsible for losses by robbery. In cases of an individual of consideration putting up in their village, or encamping outside the walls, if he desired protection at night, and there were no Ramosís or Bhíls in the village, whose specific duty is watch and ward, then the Mahrs performed the duty.

It is to be understood, that in the whole of the duties of the Mahrs, whether for government or the village, they are not bound to go beyond the village neighbouring to their own; here they hand over their charge to the village Mahrs, and return.

From the above details, it will be seen what are the respective claims of the government and the village on the Mahrs. Where the rabtah tax prevails, it modifies but does not abrogate the government claims; and where it does not exist, as the Kulkarní of Kothul declared, there the government and village claims for service are to the extent of the Mahr's physical means.

This class of the community, although so debased in its moral and religious relations, is unquestionably in more easy circumstances than any other part of the people. Government having relaxed its hold upon the Mahrs, without diminishing their means, in many towns and villages they are become indolent, impudent, and litigious; and in many instances it came to my knowledge that they were at issue with their villages, striking work, and leaving all their burdensome duties to be performed by the cultivators. Their efficiency in diffusing information over the country is very remarkable; and we have repeated instances of news, letters, signs, or tokens, involving the communication of certain matters, having been sent from Hindústân, and diffused over the Dekkan, by means of this class, with an astonishing rapidity. Even at the present day, distant political events are known to the native community as soon and sometimes sooner than to our own Government; and it is by means of the Mahrs. Their method is very simple: A message, a letter, or some simple and easily multiplied token, is put into the hands of three or four village Mahrs; each runs to a neighbouring village, and delivers his message; copies are instantly taken of the letter, or the tokens are suitably multiplied, and three or four men run with them to three or four neighbouring villages. In this way they spread in geometrical progression, or as circles expand on the surface of water when a stone is thrown in. Forwarding information is a village duty; and the collectors might well avail themselves of it to communicate with their district officers, to the saving of the expense of the Síbandís, or irregular troops, who are now kept up for that purpose, and to the improvement of the speed with which information and orders are now sent.

## Chapter XII.

Lands were given to sepoys in the district, in lieu of salary, for the performance of specific duties, principally in the protection of their villages.

The tenure is called Shétsanadí, from Shet, a field, and Sanad, a grant. The Shétsanadís are, in fact, a landed militia. This tenure is still found in five Parganahs of the Poonah collectorate, namely, Havailí, Sholapúr, Mohol, Indí, and Mudébíhall; the lands held being to the value of 34,435 *rups.* 2 *qrs.* 43 *reas.*, including a right upon the Sayer, or shop, and professional tax to the amount of 381 rupees. In looking over the papers of Karmáleh, Ahmednagar collectorate, I found a deduction of 1,126 rupees for the value of lands alienated at Shétsanadí. This alienation is probably not confined to Karmáleh; but I did not remark the cost of it in looking over the Jamabandí settlement of the collectorate for 1827–28.

There are several other tenures, of which a rapid notice may be given. The Chaugula is the Patél's assistant. He is found in most villages; sometimes he has a trifling land grant, but commonly a fee in grain from the cultivators. At Kúral and Wangí, bordering on the Kanrí, or Carnatic tracts, I found the Chaugula denominated Baglah. Usually he is a Mahratta; but here he proved to be a Lingáit Wání, who is a seller of groceries by profession, and, in religious tenets, is exclusively a worshipper of the Ling, of Mahádéva.

In some Tarafs a Haváldár is still found. The term is rather descriptive of a military person than a civil functionary.

The Haváldár was probably introduced by the Musalmáns, to assist the Patél by his influence, as a person on the part of the government, in the collection of the revenue. The Haváldár's support was usually a grain-payment, levied on the cultivators. At Tacklí, near Ahmednagar, I found the Haváldár (a Musalmán), entitled to half a sér of Joarí on each bíghá under cultivation. In 1827 this amounted to about 1,200 sérs. The half of it went to the Haváldár, who took it in kind; the other half went to government, who commuted it into a money-payment, at 40 sérs per rupee. At Nandoor, Parganah Baragáon Nandoor, the Haváldár's family is extinct; but the rights are levied from the village, and [illegible]

Mr. Chaplin, in his report on the Dekkan, mentions a Taraf of a Taraf, under the last Government, whose duty it was to make the collections of the Mahalls, or Tarafs, and to remit them to the Muámalahdárs, and to inquire into petty complaints. In some small districts, called Tarafs, in lieu of the Haváldárí cess, there appears a cess denominated Náikwarí. It is probably the Hindú appellation equivalent to the Musalmán term Haváldárí. The Náik was a petty officer in the Tarafs, and assisted in making the collections; he now assists the Shaikdár, or inspector of cultivation, in his duties.

In the small district of Mahr, Kohreh Poonah collectorate, containing one town and 11 villages, the tax in kind levied upon the cultivators, called Náikwarí, amounted to 48 sérs per village, excepting the town of Mahr, which is not cessed. In this Taraf, the Náikwárí is in the possession of a Mahratta family of the name of Sindeh. At the town of Kanur, Taraf Kanur, Ahmednagar collectorate, the Náikwárí's fee is 12 sérs of grain on every 30 bíghás of land under cultivation. The duty of the office there made the person holding it a kind of *homme d'affaires* for the Jágírdár and the town authorities. Captain Grant Duff describes the term to be applicable to a kind of hereditary land-measurer on the village establishment. I have not met with him in this character.

The Ballotí tenure has already been spoken of. Frequently small portions of rent-free land are held by the individuals composing the village office-bearers; but their chief support is their Ballúteh, or grain-right, on the cultivators. The tenure on which their rights are held, is to perform specific duties, each in his line or business, for the village and villagers, and occasionally, also, for the State.

In the southern villages, bordering on the Carnatic, I met with the village officer called Talwár; he is unknown to the genuine Mahrattas. His duties appear to assimilate him with the Haváldár of the districts further north. At the villages of Kúral and Wangí, on the Sína River, I found the Talwárs to be

Kohlís in caste, and not Mahrattas. Repeated mention is made of the Talwâr in Dr. Marshall's Report on the neighbourhood of Dharwár.

The Ramosís (thieves by birth) are found in most villages in the Dekkan, between the parallels of lat. 17° and 19° north, and long. 73° 40′ and 75° east. They have occasionally lands in Inám given to them, to be responsible for the safety of property in the towns and villages where the lands are granted. I observed this to be the case at the town of Kheir, on the Bíma River, Taraf Rasin, where the Ramosis have 60 bíghás of land. In the same town the Mahrs have 180 bíghás. These distinct grants, therefore, prove that watch and ward is a separate duty from that of the Mahrs. Most of the villages in the Dés, or open country, think it necessary to have one or more of these villains in employ, to secure the village from robbery; there being an understanding amongst the fraternity which assures the village of protection. They are usually paid in contributions in grain from the inhabitants. It is the duty of the Ramosí to perform watch and ward; and in all my marches in the Dés, the Ramosís were deputed by the villagers to watch my tents at night, the inhabitants of a village being considered responsible for the safety of the property of a stranger who puts up with them.

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## Chapter XIII.

At the town of Baragáon Nandúr, Parganah Baragáon Nandúr, on the Múl River, which is without the location of the Ramosís, I found four families of Bhíls in possession of 30 bíghás of land, held on the tenure to be responsible for all property stolen from the village. This was the first instance of the kind I had met with. The Mahrs in the same village had an Inám (Arólah), of 120 bíghás.

In the hilly tracts the Kohlís are employed in a similar manner to the Bhíls.

Sheteh is the person by common consent admitted to be the head and spokesman of the shopkeepers and market people, where they are in sufficient numbers to require one; and as combination, in its fulllest sense, everywhere exists among shopkeepers in the regulation of prices, he is of some importance [redacted] Mahajan means properly a mer[redacted] he is an inferior person to the Sheteh, and occupies his place as occasions demand. Both these people in some towns and villages have trifling Inám lands and claims for money and grain, but on what tenure of service to the community is not very apparent.

I should scarcely have introduced mention of the Sar* Patél and Sar Désaí, as it has not come to my notice that they hold lands in tenure; but mention is made of them as Hakkdárs, in village expenses. The Sar Patél's rights of money, grain, and Ghí, are very extensive at the two villages of Borowlí and Kewleh, in the Poonah collectorate; for in a revenue of 331 *rups.* 1 *qr.* 3¾ *as.*, in the former village, the Sar Patél was entitled to a money-payment of 3 *rups.* 2 *qrs.* 3 *as.*, and one sér of Ghí, in lieu of which he was paid half a rupee. At Kewleh, in a revenue of 948 *rups.* 0 *qr.* 2 *as.*, the Sar Patél received 9 *rups.* 3 *qrs.* 3½ *as.* in money, and one sér of Ghí, or half a rupee instead. The Sar Patél's rights, within my northern limits, I understand to be vested in the family of Eswant Rao Dabareh, of Tellegáon, whose son was married to a daughter of Daulat Rao Síndiah. In each of the above two villages, the Sar Désaí (vested in the family called Chaskar, from holding hereditary offices in the town of Chas, on the Bíma River), was entitled to one rupee in money, and one sér of Ghí, commuted to half a rupee. I am ignorant of the duties these great personages have to perform. The Désaí is probably identical with the Désmukh, as in the southern Mahratta country he is found in the situation of the Desmukh, the latter term not being used. The Désaí was rarely met with by me.

Captain Grant Duff makes mention of several Sar Désmukhs, and that Aurangzéb allowed the old Sar Désmukhs two per cent. on the revenue. They were probably the connecting links between the Désmukhs and the prince. Thé Sar Désmukhí of modern times, which appears in all village accounts, was 10 per

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* Sar, or Sir, means "Head."

10 per cent. on the Mogul revenue exacted by Sewájí from the Musalmáns. It was levied over and above the Musalmán revenues; the sufferers, therefore, by Mahratta violence were the Mahratta cultivators; and on the whole of the possessions of the Mussulmáns coming into the hands of the Mahratta Government, the Sar Désmukhí should have been abandoned. But it remains to this day as part of the revenue; for instance, at the town of Jehúr, near Ahmednagar, whose Tankha is 10,817 *rups.* 3 *qrs.* 2 *as.*; the Sar Désmukhí is 1,350 *rups.* 3 *qrs.* 3 *as.*; and Kamál, or total, 19,363 *rups.* 1 *qr.* 3 *as.* At Khair Tálluk Kortí, the A'ín Tankháh is 8,852 *rups.* 0 *qrs.* 3½ *as.*; the Sar Desmukhí is 1,106 *rups.* 2 *qrs.* 2½ *as.*

Individuals have shares in the village revenues, distinguished by the names of Mokassa, Sahotra, Babtí, and Nargoura. The most intelligible way to describe these, is to say that persons have money-assignments, amounting to a definite per-centage on the revenue under these names. In their origin, Mokassa is 66 per cent., Sahotra, 6 per cent., Babtí, 25 per cent., and Nagoura, 3 per cent. of the Chouth, or fourth of the revenue, extorted by the Mahrattas from the Moguls. Sewájí and his chiefs shared it amongst themselves; the chiefs had the Mokassa for military services; the Sahotra was given to the Pant Sucheu, one of the ministers; the prince's share was the Babtí; and the Nagoura, which is synonymous with Sar Patél, or chief of all the Patéls, was at the disposal of the Rájá. The equal division of property and rights amongst children has occasioned the reduction of some of the shares to the most trifling amount, where families have multiplied.

With reference to the tenures above detailed, excepting only Sarva Inám, or lands entirely free, and hereditary lands, there was an obligation of specific service on the individual or body of men enjoying advantages under the several tenures. The non-performance of these duties involved the forfeiture of their rights; but, independently of such forfeiture, all grants whatever were, no doubt, resumable at the pleasure of the prince. Grants for religious purposes were rarely recalled, but for other objects they were frequently abrogated; particularly, Jágír, Saranjám, and Hakkdár's grants. To such an extent did this exist under the last government, that Mr. Elphinstone, in his Report, enumerates, as an item of revenue, Watan Zabtí, or sequestered lands of Zamíndárs, which yielded annually 50,000 rupees. The resumption of Jágírs by the Péshwá is well known. Finally, I have no hesitation in expressing my opinion that in many instances Désmukhs, Déspandehs, Patéls, and Kulkarnís, have furtively taken advantage of the confusion consequent on the government passing into new hands, to enlarge their Inám lands, ready-money claims, and grain-fees; and a register of their present rights, embracing the minutest details, appears necessary to put limits to further encroachments.

The whole number of *populated* towns and villages in 1828, in the four collectorates of the Dekkan, amounted to 9,535. Of this number, 1,695½ appear to be alienated, or 7·74 per cent. (not quite a sixth), leaving 7,839½ on the several collectors' returns. To this number are to be added the *depopulated* villages, whose lands are under cultivation, as they are not included in the lists.

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## Chapter XIV.

### *Pateel's Office and Tenures.*

This office, together with the village accountants, are, no doubt, coeval with those of the Deshmook and Deshpandeh, already described.

The derivation of the term Pateel is obscure, but it is usually considered to be a Mahratta word. It has, however, been suggested to me by natives, that it is possibly founded on the Sanskrit word Puttuh, (1) "Deed," "Lease;" the Pateel, in former times, having been the official granter of vacant lands in his village by deed or lease. Within the limits of my inquiries in Maharashtra, I did

(1) पट्ट

*Note.*—In the following part of this Report, native names are spelt as an Englishman would pronounce them, and not after Sir William Jones's system.

did not find the term Gàora applied to the Pateel; but, where the Kanree language prevails, head men of villages are still called Gàor. Pateels have been considered by some European writers identical with the personages, called in Sanskrit, Gramadeekaree ;(1) but I was informed by Brahmáns that the term is descriptive of the lord or master of the village, equivalent to the present Surwa-Eenamdar, rather than Pateel, the word "Gram," meaning "village," and "Adeekar," "bearing royal insignia," being "pre-eminent."

Originally the Pateels were exclusively Mahrattas, but sale, gift, or other causes, have included many other castes; a very large majority of the Pateels, however, is still Mahratta.

Of such importance, and so profitable was the right, or in such estimation was the dignity of Pateel held anciently, that the princes and great feudal chiefs of the Mahratta empire established themselves wholly, or in part in the office in various towns or villages. Holkar, for instance, at Munchur; Seendeh (Scindiah), at Jamgaon; the Nagpoor Bhoslch, at Ahmednuggur; the Power family at Multun and Kuweeteh, &c. &c. There are traditional accounts even of a share of the Pateel's office having been sold for 7,000 rupees. The office was hereditary; and the free lands attached to it, together with the numerous rights and emoluments, were alienable, by sale or gift, at the pleasure of the holder. Even the hereditary lands of extinct families became the property of the Pateel, together with all waste lands, excepting in some villages where such lands were appropriated by the village corporation; *the Government distinctly sanctioning the exercise of such powers, whether by the Pateel or the village authorities.*

I am fortunately enabled to satisfy the Government that these assertions are not lightly made, by laying before it a copy of an important and curious document in the Mahratta language, being an award of a numerous assembly of the public authorities, Deshmooks, (2) Deshpandehs. (3) Pateels, &c., of six districts, comprising 30 villages in the Soobah of Joonur, at which also the Punt Prudhan, one of the great officers of the Rajah of Sattarah's court, assisted. The object of the meeting was to give judgment in long-continued disputes respecting shares in the office of Pateel of the village of Kuweeteh, and to define and attest its various dignities, rights, and emoluments. The paper is dated Sukkeh, 1646, A.D. 1725. It measures 15 feet 3 inches long, and is $11\frac{2}{16}$ inches broad. Independently of its involving proofs of hereditary rights in land, and of the great power of Pateels in granting titles to land, and in fixing a permanent assessment, it defines so perspicuously and minutely the dignities and emoluments of the Pateel's office, and throws so much light upon various characteristic usages and customs of the people, that a close translation of the paper will probably be acceptable to the Government.*

I will reserve some observations on the document for the close of this communication; but a preliminary explanation is called for of a word in frequent use in the original. I allude to the word Mokuddum. The term is applied to the Pateel's office. It is an Arabic word, meaning "chief," "head," "leader," and is properly applicable to an individual only. The equal right of inheritance in Hindoo children to the emoluments and advantages of hereditary offices, the functions of which could be exercised only by the senior of the family, rendered a distinctive appellation necessary for this person, and he was called Mokuddum. The sale of parts of the office of Pateel, however, to other families, the heads of which would also be "Mokuddum," rendered the qualifying adjective necessary in all writings of half-Mokuddum, quarter-Mokuddum, &c. &c., according to the share each family held in the office. Thus, his Highness Seendeh (Scindiah) is six-sevenths Mokuddum at Jamgaon; the other Mahratta sharer, one-seventh. A Moosulman at Nandoor is one-quarter Mokuddum; and two Mahrattas are respectively one-half and one-quarter Mokuddum. Having premised this much, I shall proceed to translate the document. It is headed Muhujur Nama Aaj Kurra; literally, "A list of those present by agreement; or, a statement of the proceedings and award of an

(1) ग्राम अधिकार (2) Civil governors of districts. (3) District accountants.

* The copy of this native document is in the possession of the Royal Asiatic Society of Great Britain.

an assembly." After the usual invocation to the deity, it commences as follows:

Dated the 11th of the month. Rubee Ool Awul Sukkeh 1646 (A D. 1725), Krodee (1) Nama Suwut Sureh, Marghswur (November and December), 13th of the light half of the moon (Monday). On that day, the following Deshmooks, Deshpandehs, and Mokuddums, and Lineagees, (2) or families of different villages, of the Soobah of Joonur, of auspicious origin, (3) being assembled at the place of meeting, Kuweeteh (Kowta), Turruf Pàbul, of the above Soobah agreeably to the following list.

*Turruf Pábul.*

Names of Mokuddum, and Chowghleh, (4) and Koolkurnee, (5) of the villages of Jategaon, Mookhuee, Hewreh, Teetweeh, Kanoor, Booma-Jatehgaon, Sehj'un, and Loonee.

*Turruf Kheir.*

Names of Mokuddum, Choughlegh, and Koolkurnee, of the town of Kheir, and villages of Takeedwaree, and village of Chaus, and Mokuddum of Waphgaon.

*Turruf Ranjungaon.*

Mokuddum, &c., of the villages of Ranjungaon, Dihtun, and Wareh.

*Turruf Mahloongeh.*

Mokuddum, &c., of the village of Mahloongeh, and town of Munchur.

*Pergunnah Parnair.*

Mokuddum, &c. of the villages of Parnair, Takleh, Neegooz, Awaree, Bhoeeree, Gharkundee, and Lonee.

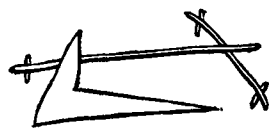
*Pergunnah Chakun.*

Mokuddum, &c. of the villages of Neegooj, Bhoseh, Koorlee, Allandee, Peempulgaon, and Bohree.

In the presence of the above Mokuddum, &c., whose signatures (6) are attached. Annund Rao, son of Sumbajee Pateel Power, half Mokuddum, of the village of Multun, of the pergunnah of Kurdeh, and Kundojee, son of Wittojee Pateel Kandulkur, and Sooltanjee Wulud Sonjee Pateel, bin Heerojee Pateel, Goreh; Mokuddums of the village of Kuweeteh, Soorsun, Kumas, Ashreen, Myalluff Sun 1134 (A.D. 1725). On this date, the two last Pateels above named, gave a deed of agreement to Annund Rao Powar, to the following effect: that, " the Mokuddumee of the village of Kuweeteh belongs to us; that formerly Sooryajee, son of Kumlojee Pateel Waagdureh, had disputes for two generations with our ancestors for a share in the Pateel's office of Kuweeteh; but could not succeed in making good his claims. At this period the village was in arrears, on account of the Jummabundee, (7) with Khan, Wallashan Amanoola Khan Jageerdar. (8) The village had fallen into decay, and the ancestors of us the two Pateels, Khandulkur and Goreh, were unable to make up the deficiency (in the revenue to the Jagheerdar). In this helplessness, our ancestors fell upon the neck of Sooryajee, son of Kumlojee Pateel Waagduree, and importuned him till they obtained the sum of 1,112 rupees, with which the balance due to the Dewan (9) was paid; and a deed of contract (10) of right to a third share in the rights and authority of the Mokuddumee was given, dated, Sukkeh, 1628 (A.D. 1707), Weeyeh Nama Suwut, Surreh, Srawun (July, August), 2d of the dark half of the moon (Wednesday), of which the following is a copy: ' We, the Mokuddum Weetojee, son of Tabbajee Pateel Kandulkur, and Neerojee, son of Sohn Pateel Goreh, to Sooryajee, son of Kumlojee Pateel Waagduree,

(1) The name of the year.
(2) Goht.
(3) خجستہ بنیاد Khujusteh Bunyäd.
(4) Pateel's assistant.
(5) Village accountant.
(6) The signature of the Pateels and cultivators is the drawing of a plough. The names of the Mokuddum would have lengthened this communication so much that I have omitted them.
(7) Government assessment.
(8) The chieftain who held the village in feoff.
(9) Minister of State.
(10) Tuhnama.

Waagduree, of the village of Kuweeteh Turruf Pabul Soobah Joonur, of auspicious origin, Soor Sun Subbah (1) Ashreen Mya Ulluff Sun, 1116 (A.D. 1707), have given this deed of contract. Your family and ours for two generations have been quarrelling about the Mokuddumee, and we have all been injured. At the present time there are large arrears due by the village on account of the assessments, and the village has not the means of paying them. In consequence, we have importuned you, and, in conjunction with all the families,(2) or lineages, of the village, have made this contract (3) with you; that as we are now two brothers, as it were, in the office of Mokuddumee, you shall be the third brother, and we will equally enjoy all the rights, privileges, fees, eenams,(4) &c., &c., of the office, and perform the duties of the Pandreh (5) together, preserving to us only precedence; and anyone who molests you in these rights shall be abhorred of the families (or different lineages), and shall be amenable to the Dewan for breaking the contract. To this effect we have written and signed this contract; the Mokuddum of the Kusbeh (6) of Kurdeh being present in the public office (7) when we received from you 1,112 rupees, with which the deficiency to the Jagheerdar was made good, and the remainder shared agreeably to the several rights of individuals. You, therefore, to your children's children, are to enjoy the third share of the Mokuddumee, Eenam, emoluments of Pandreh, and the Maan,(8) Paan.(9) Formerly, you damaged and injured the Mokuddumee; we have now made you our brother, and so let it be.



(Signed with a plough.) (10)

" ' Witnessed by the Mokuddum and Koolkurnees, of the villages of Kurdeh, Kanoor, Anjunapoor, near Serroor, and by the Deshpandeh of Pabul, the Mokuddum of Indooree; the contract being in the hand-writing of Nanoo Bawajee Koolkurnee of Kuweeteh.'

" Although the above contract was given, disputes continued between the Waanduree family and ours, and Sooryajee, son of Kumlojee Pateel Waagduree, was not permitted to share in the office of Pateel. On this he went to Multun, and related to you (11) all the circumstances of the case; stating, that in consequence of the opposition of Kanulkur and Goreh, Pateels of Kuweeteh, he could not obtain his rights; that he had scarcely the means of living; and that he fell upon your neck, begging of you to become his brother, and received 200 rupees in money and a mare, for which he gave to you his third share in the Mokuddumee, Eenam, Maan, Paan, Ukulwajeema,(12) Oopuveendra,(13) black and white; and made you his brother. In consequence of this agreement between Waagdureh and you, disputes originated between you and us. Sooryajee Pateel Waagdureh died, and his son, Kumlojee Pateel, together with his nephew, son of Nundajee Waagdureh, were taken by you to Sattarah (to court), and obtained an order for the Pateels, Kanulkur, and Goreh, to appear there. In the Durbar, (14) the Rajuh Sree, Punt Prudhan (15) investigated the affair. Ryajee, son of Jackojee Goreh, Deshmook of Joonur, being present, it was determined that the Mokuddumee, &c., &c., should be divided into three shares; and the minister gave orders to the Deshmook to go to the Pandreh to assemble the families, and have a deed of agreement, in the presence of the heads of villages, granted by the Pateels; and the disputes terminated. At this period we

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(1) Mahomedan name of the year.
(2) गोत Goht.
(3) Tuh.
(4) Land in free gift.
(5) Public service, or village corporation.
(6) Market town.
(7) Chawree.
(8) Dignities.
(9) Complimentary presents of areca-nut and leaf of piper betel.
(10) A plough is the signature of a cultivator.
(11) Annund Rao Powar, Pateel of Multun, the complainant.
(12) Perquisites.
(13) Profits and fees.
(14) Prince's court, or levee.
(15) The prime minister.

we acknowledged we had become amenable to the Surkar, (1) by the opposition here made to your enjoying the rights of the third share in the Pateel's office, on account of Waagdureh. From poverty we were unable to pay the fine, the consequence of our having broken the contract. From our importunities, you arranged this matter with the Dewan for us, and we returned to our village. The minister having given orders to Ryajee Goreh Deshmook, and to Narrain Deshpandeh, to settle the affair. We and our brotherhood, and all the chief people of the village, together with the Bulloteh, (2) being of one heart, gave to you a Razeh Nama; (3) namely, that Kumlojee, Pateel Waagduree, having a third share in the Mokuddumee of the village of Kuweeteh, which he gave to you, and that on this account the third share is yours. To assure it, we have given a Razeh Nama.

"To confirm this, the Goht (4) should have assembled; but, owing to our neglect, the Goht did not assemble, and no Muhujur (5) took place. After this, Rajuh Sree, Punt Prudhan, in his circuit, came into this country to the village of Khoord Wagoleh. The whole of the authorities of the Soobah were assembled. You and ourselves were also there; and the dispute respecting the third share of the Mokuddumee was brought before the presence of the minister. He having called the Deshmooks and Deshpandehs, the Mokuddums, and the several Gohts of this Soobah, before him, examined the affair personally from the beginning, and took letters of agreement and securities to the following effect."

Here follow the names of the numerous securities for Kanulkur and Goreh, Pateels, that they will be responsible for those Pateels fulfilling the conditions of the Muhujur Nama, or award. In a parallel column are the securities for Powar, the whole properly signed and attested.

In this manner, the Punt Prudhan having taken the necessary papers, gave them to the assembled Deshmooks, Deshpandehs, and Goht (heads of families), to determine on them, giving directions to inquire into and ascertain the Eenam, Ukulwajeema, Oopuyendra, black and white, of the disputed Mokuddumee, and to arrange and define the shares agreeably to the several rights of individuals.

In obedience to this order, the Deshmooks and Deshpandehs, and Goht, came to the village of Kuweeteh, and, having made the necessary examinations of the Pandreh and the Bulloteh, determined that the Waagdureh Pateel had a right to a third share in the Pateel's office, rights, and emoluments, and of these he had been deprived; and of his third share he had given three parts to the above-mentioned Powar, making him his brother. But that, in consequence of the opposition and quarrelling of the Pateels, Kanulkur and Goreh, the Powar derived no advantage from it. In consequence, the Goht divided the shares of the Eenam, Maan, Paan, Ukulwajeema, Oopuyendra, Sir Pao, Holeechea Polee, (6) and other dignities; together with the sites of houses, Meeras fields, the profits of Gutkool (or lands of extinct families), and other profits, black and white, into three parts, in the following manner: First, Kundojee Wullud, Wittojee Pateel Kanulkur, Mokuddum of the village of Kuweeteh, to have the following Maan, or dignities; that is to say, Adehman, or premier dignities, three, namely:—

1. Hole, chee Polee. (7)
2. Bait. (8)
3. Guhoor. (9)

The second sharer is Annund Rao, son of Sumbajee, Pateel Powar, Mokuddum

(1) Government.
(2) Village artisans, or crafts.
(3) Deed of acknowledgment.
(4) Different lineages or families.
(5) Confirmed award.
(6) Hereditary lands.
(7) The right to be the first person to throw into the fire a sweetbread cake at the burning of the Holee, at the vernal equinox; highly prized.
(8) Precedence in paying respects to superiors, with the village present.
(9) Precedence for the Guhoor, which is a figure of Parwutee, the wife of the god Shewuh, under this name, made by the Koonbees, or cultivators themselves, and worshipped in their houses at two or three periods in the year; and which figure, on the close of the worship, is carried in procession and thrown into water. The Guhoor is probably viewed in the character of the Ceres of the Greeks.

dum of the village of Kuweeteh, three premier dignities, or Adehmaun, namely:—

1. Sir Pao. (1)
2. Seeralshet. (2)
3. Wowalnee. (3)

The third sharer is Sooltanjee Wullud Sonjee bin Peeragee, Pateel Goreh, Mokukdum of the village of Kuweeteh, three premier dignities, namely:—

1. Teelah Weereh. (4)
2. Dusreeya, chè Wajuntur. (5)
3. Poleeya, chè Byhl. (6)

The three Pateels are to stand second in sharing (Mudeel maan) in the above dignities, in the following order:

Kundojee, son of Wittojee, Pateel Kanulkur;—

1. Sir Pao.
2. Teelah Weerah.
3. Seeralshet.
4. Deepwalee, chee Wowalnee.

Annund Rao, son of Sumbajee, Pateel Powar:—

1. Holee, chee Polee. (7)
2. Dusreeya, chè Wajuntur.
3. Poleeya, chè Byhl.

Sooltanjee, son of Sonjee, Pateel Goreh.

1. Guhoor.

The three Pateels are to stand third in sharing the above dignities (Mageel maan), in the following order:

Kundojee, son of Wittojee, Pateel Kunulkur:—

1. Dusreeya chè Wajuntur.
2. Paleeya, chè Byhl.

Annund Rao, son of Sumbajee, Pateel Powar.

1. Teelah, Wurah.
2. Guhoor.

Sooltanjee, son of Sonjee, Pateel Goreh.

1. Sir Pao.
2. Holee, chee Polee.
3. Seeralshet.
4. Deepwalee, chee Wowalnee.

In the rights of the Pateel's office, Kundojee, Pateel Kanulkur, is to share as follows:—

1. The dried cocoa-nuts, arising from bazaar duties, &c., to be brought first to Kundojee Pateel's house, and divided into three shares.
2. Kundojee is to have a pair of shoes from the shoemaker yearly.
3. He is to have the Soogreh (8) and Khun. (9)
4. Two bundles of wood from the Mahrs on festival days.
5. Three pots of water daily furnished by the village waterman (Kohlee).

Annund

---

(1) Precedence in receiving presents from the Government at the liquidation of the revenue settlements.
(2) The worship of the image of somebody, whose memory is associated with an absurd story, and which image is carried in procession. The dignity consists in having precedence for this image.
(3) Precedence in having a light waved round the head by all the village women at the Dewalee, or feasts of lights. It is looked upon as a ceremony insuring good fortune.
(4) Precedence in having in ceremonies and entertainments the spot (Teelah) put on the forehead, and in receiving the betel-leaf (Weerah).
(5) Precedence in having the music, which is played to the Pateels at the Dusruh, a great festival in October.
(6) Precedence for the bullocks of Goreh Pateel on the day the cattle are released from labour, painted, their horns gilded and ornamented, and then worshipped, and led in procession. It occurs in August or September. The Greeks had a similar ceremony.
(7) The Holee is a great festival celebrated during several days, about the time of the vernal equinox. It has partly the character of the festival in honour of Cybele, and partly that of the greater Dionysia of the Greeks.
(8) A small pot from the potmaker.
(9) A cubit of cloth from the weaver the day the sun returns north.

Annund Rao, son of Sumbajee, Pateel Powar, is to share the rights of the office of Pateel, as follows:—

1. The Bytuk, (1) Phuskee, and Sooparee, levied on market-days, to be brought first to the house of Annund Rao, Powar, and then divided into three shares.
2. One pair of shoes from the shoemaker.
3. Soogreh and Khun.
4. Two bundles of wood from the Mahrs on festival days.
5. Three pots of water daily from the village waterman (Kohlee).

Sooltanjee, son of Sonjee, Pateel Goreh, is to share in the rights of the Pateel's office, as follows:—

1. A present of two sheep from the village, on the festival of the Dusra, to be brought first to his house, and divided into three shares.
2. A pair of shoes from the shoemaker.
3. Soogreh and Khun.
4. Two bundles of wood from the Mahrs.
5. Three pots of water daily from the village waterman.

There are also Sumuheek Maum, or extra dignities and rights; namely, "The village shoemaker has to furnish yearly four pairs of shoes: of these three only have been allotted; the fourth pair will be taken by each Pateel in succession, agreeably to precedence."

The Pateels are to have a right to the skins of their own shaft-bullocks, belonging to their carts, when they die. (2)

The Pateels are to have sites for their houses, as follows:—Kundojee, son of Wittojee, Pateel Kanulkur, has a site for a house, measuring in

| | | |
|---|---|---|
| Length | - - - | 36 cubits |
| Breadth | - - - | 24 „ |
| TOTAL | - - - | 864 Ghurb Haat, or square cubits. |
| From this ⅓, or | - - | 288 are to be taken, leaving for |
| Kanulkur | - - - | 576 square cubits as a site. |

Two sites for houses belonging to Sooltanjee, son of Sonjee, Pateel Goreh; namely:—

| | | | |
|---|---|---|---|
| One site. | Length | - - - | 15 cubits |
| | Breadth | - - - | 9 „ |
| | | | 135 Ghurb Haat, or square cubits. |
| Of this ⅓ is taken for the Powar | | - | 45 square cubits; |
| Leaving | | - - - | 90 square cubits. |
| One site. | Length | - - - | 8 cubits, |
| | Breadth | - - - | 7½ „ |
| | | | 60 Ghurb Haat, or square cubits. |
| Of this ⅓ is taken for the Powar | | - | 20 |
| Leaving | | - - - | 40 square cubits. |
| Sites for the Powar | | - - | 288 square cubits from Kanulkur. |
| | | | 45 from first house of Goreh. |
| | | | 20 from second house of Goreh. |
| TOTAL | | - - - | 353 square cubits for Powar. |

(1) The Bytuk is the fee of a pice (about a halfpenny) paid by sellers, not belonging to the village, for permission to sit in the market and sell their articles on market-days. The Phuskee is a handful of grain, or of greens, taken from each seller of those articles; and the Sooparee is the betel-nut taken from the grocers on market-days.

(2) The skins of all cattle dying in the village belong to the Mahrs, or outcasts. An exception is made in favour of the Pateels.

*Sumareek Maun, or extra Rights and Dignities*—continued.

1. A quarter of a Kutcha (or small) seer of oil, due from each oil-mill daily, to be allowed to accumulate at the oil-mills, and to be shared agreeably to individual rights.

2. All sheeps' heads, and other offerings at the shrine of Sree Bowanee,(1) in the days of pilgrimage, to the shrine, to be shared equally by the Pateels.

There is Eenam Jumeen, or free gift land, attached to the office of Pateel, half a Chahoor and twenty Beegeh. Of this, Canulkur, half Mokuddum, has a quarter of a Chahoor (2) and 10 Beegeh, on the Thul, or estate called Cheenchurn, equal to 35 Tukkeh. Of this, a third share for Powar is 11¼ Tukkeh, and eight Rookeh, leaving 23¼ Tukkeh and four Rookeh for Kanulkur.

Sooltanjee Wulud Sonjee, Pateel Goreh; his Eenam, or free-gift land, as follows:—

| | |
|---|---|
| Tukkeh of the Seend Paatee Thul,(3) or estate - - - - | 25 |
| Tukkeh of the field (Teekah), called Gooruw - - - - | 10 |
| Total - - - | 35 |

Of this, one-third share for Powar is 11½ Tukkeh and eight Rookeh, making 23¼ Tukkeh and four Rookeh for each Pateel.

Over and above this, there are the following Meeras, or hereditary lands, of Jeeraeet. (4)

Meeras land belonging to Kanulkur Pateel, viz.:—

| | |
|---|---|
| Tukkeh of the Cheenchurn Thul (5) - - - - - - | 15 |
| Tukkeh of the Oodar Shait Gutkool (6) - - - - - | 18¾ |
| Tukkeh of the Gaon Tekur ( ) - - - - - - - | 1½ |
| Total - - - | 35¼ |

A third share of this for Powar is 11¾ Tukkeh, leaving to Kanulker 23½ Tukkeh of hereditary land.

Meeras or hereditary land, belonging to Goreh Pateel, viz:—

| | |
|---|---|
| Tukkeh of the Guruw Teekeh Thul of 20 Tukkeh - - - | 10 |
| Tukkeh of Oodar Shait Gutkool (8) - - - - - - | 18¾ |
| Total - - - | 28¾ |

Of this, Powar's third share is nine and a-half Tukkeh and four Rookeh, leaving to Goreh 19 Tukkeh and eight Rookeh; the allotment of hereditary land to Powar being:

| | |
|---|---|
| Tukkeh from the land of Kanulkur - - - - - | 11¾ |
| Tukkeh and four Rookeh from the land of Goreh - - - | 9½ |
| Total - - - | 21¼ and four Rookeh. |

The total hereditary lands belonging to the three Pateels being 64 Tukkeh.

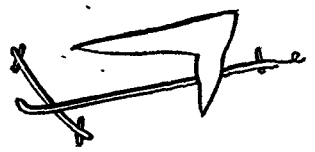
In this manner, the Maun, Paun, with Ukulwajeemah, Eenam, sites of houses, hereditary estates, and other emoluments and advantages, black and white, are to be shared and enjoyed agreeably to the several shares. Moreover, Kanulkur and Goreh are ordered by the Goht to give a third share of their brother's house to Powar. On this, we (Kanulkur and Goreh) petitioned that it would grieve our brothers; and as increased settlement in the village is desirable, we give instead thereof the site of the neighbouring house of the deceased, and Gutkool

(1) The Bellona of the Hindoos.
(2) Chahoor and Tukkeh, and fifty other terms, &c., are names applied to lands of variable superficial extent, and are not, therefore, reducible to an English standard.
(3) Name of the estate.
(4) Field land, in contradistinction to garden land.
(5) Hereditary estate, so called.
(6) Land of extinct families.
(7) Abandoned sites of houses in the villages.
(8) Name of the estate which belonged to an extinct family.

Gutkool Neemba Tamboolee (pan-leaf seller), in length 60 cubits, and in width 60 cubits. The neighbour on the east being the weaver; on the west is the bazaar; on the north, the house of Pool Koonbee; and on the south, the road. Should at any future period a claimant appear for the site above mentioned, we will satisfy him, and you will be free from trouble in it; and on such an agreement we have given you this site. You are to build on it at your pleasure; and, as the children of one mother, Kanulkur, and Goreh, and Powar, and Waagduree, are to be united in the service of the Pandreh,(1) and Powar has to give one-fourth of his share to Waagduree, and arrange with him, in a suitable manner, with regard to all emoluments and profits; and the three other parts of this share of the Mokuddumee are to be enjoyed by himself and his children's children. And for the future, in case of acts on the same mode as formerly, he, the perpetrator, will be out of his caste, and will be amenable to the prime minister. For this purpose, this Mahajurnama (or proceedings and award) has been written and signed.

Taza Kulm, or postscript. The relations of the parties are to continue to enjoy their ancient rights.

(Signed with a plough.)



This is the hand-writing of Gopal Mahadeo and Wittul Moreswur, Koolkurnees of the village of Kuweeteh.

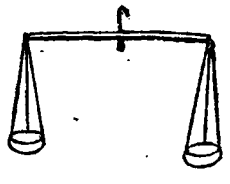
*Securities for Kanulkur.*

1. Kubjee Pateel, son of Tubajee Pateel.
2. Muhojee Pateel, son of Surtojee Pateel.
3. Soobanjee Pateel, son of Sewjee Pateel.
4. Dumojee Pateel, son of Muhojee Pateel.
5. Renojee Pateel, son of Maljee Pateel.
6. Donjee Pateel, son of Seetojee Pateel.
7. Soobanjee Pateel, son of Bhewjee Pateel.

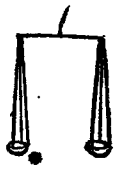
*Securities for Goreh.*

1. Sooryajee, son of Heerojee Pateel.
2. Kanojee, son of Malojee Pateel.
3. Kumlojee, son of Bopajee Pateel.
4. Kanojee, son of Kewjee Pateel.
5. Sumbajee, son of Hurjee Pateel.
6. Awjee, son of Tookjee Pateel.
7. Soobanjee, son of Huryajee Pateel.
8. Sonjee, son of Suntojee Pateel.
9. Kherojee, son of Hurjee Pateel.
10. Bapojee, son of Yemajee Pateel.
11. Maljee son of Shawjee Pateel.
12. Trimbukjee, son of Kherojee Goreh.
13. Kerojee Goreh.

Mohturfa, or tradespeople, who are witnesses. Ragojee, son of Weesajee Bihree Shaitee.(2) His signature, Taagree, or a pair of scales.



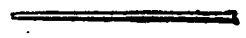
Ruhman, son of Neezam Bhaee Bheeradur, Mahjun, or banker. His signature, banker's scales.



Casee,

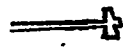
(1) The village community; meaning here, "United for the public good."
(2) Head of the shopkeepers.

Casee, son of Yemajee, oilman, Maitree, or head of the oilmen. His signature, a Padbur, or crowbar.

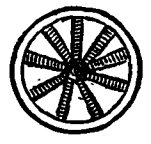


Soobanjee, son of Ragojee Bargowrah. His signature Huteear, or weapons.

Mahajee, son of Sartyajee, silversmith. His signature, Hutawrah, a hammer.



Muleek, son of Shaimun Tambolee, or paan-leaf seller. His signature an Atkeh.(1)



*Thulwuhee, or the possessors of Thuls,(2) viz., of Moonjul Thul.*

1. Jmarjee, son of Kundojee Neemeh.
2. Phoolajee, son of Ragojee Neemeh.
3. Chapajee, son of Mudrojee.
4. Ramjee, son of Sobajee.
5. Gondjee, son of Myajee.
6. Yemajee, son of Kalajee.
7. Tanojee, son of Malojee.
8. Maljee, son of Suntojee.
9. Dewjee, son of Bawajee.
10. Mulhurjee, son of Kehrajee.

*Thulwuhee(3) of Weechkeh Thul.*

1. Roopajee, son of Puddojee.
2. Saiteeajee, son of Byerjee.
3. Hurjee, son of Hussojee.
4. Ramjee, son of Pursojee.
5. Dewjee, son of Mahadjee.
6. Simtojee, son of Mahojee.

*Owners of the Pokleh Estate.*

1. Mukkajee, son of Somajee.
2. Gondjee, son of Mudojee.
3. Saljee, son of Deoojee.
4. Junnajee, son of Payajee.

*Owners of the Thamdurra Estate.*

1. Maljee, son of Kelojee.
2. Kumlojee, son of Bahdurna Guruw.(4)
3. Tahjun, son of Neejam.

Suckmajee, son of Abajee Waloo.
Sahoojee, son of Jaitjee Gajeh.
Soobanjee, son of Gungajee Powar.
Pursojee, son of Gungajee Mookehkur.
Kundojee, son of Kehrojee Raeeleh.
Byerjee, son of Muhojee Keeteh.
Weetojee, son of Dhaoojee Deegut.
Moolajee, son of Sahoojee Dorka.
Soobanjee, son of Hoolajee Khareh.

*Ballooteh, or Village Artisans and Hereditary Officers.*

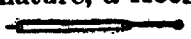
Beekhan, son of Shaimun Moolana, or Moosulman priest. His signature, a Tusbee, or rosary.

Dad Bhut, son of Treembuk Bhut Johsee (village astrologer). His signature, a Punchung, an almanac.

Ragojee,

(1) A box with divisions, in which paan-leaves are kept.
(2) Hereditary estates.
(3) Hereditary owners of the estate called Weechkeh.
(4) Person attached to the temple. He may be a Shudrah, as well as a Brahman.

Ragojee, son of Nagojee Sootar (carpenter). His signature, a Keenkreh.(1)

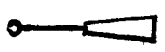


Muljee, son of Roopajee, Sohar (ironsmith). His signature, a Sandus, or pair of pincers.

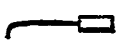
Soobanjee, son of Luckwurta, Pureet (washerman). His signature, a Mogree, or mallet.(2)

Muheemajee, son of Teemajee, Durna Guruw (attendant in the village temple). His signature, a Jehgut.(3)

Kundojee, son of Buckojee Salwah, Koombhar (pot-maker). His signature, a Thaptee.(4)



Mudojee, son of Gungajee, Chambar (shoemaker). His signature, an Eengah.(5)



The Mahrs, or village watchmen. Two shares for Tooknac.

1. Gunnac, son of Jacknac, Mahr,(6) one share. His signature, a Weela and Dor.

2. Tooknac, son of Sutnac Mahr. Their signature, a Weela (sickle) and Dor (a rope).

Having concluded this important document, previously to offering any illustrative remarks upon it, I will add one other document scarcely less important, the translation of one of the original title-deeds by which hereditary property was given in land by the Mokuddum, Pateel or Pateels of villages, or in some cases by the village community.

TRANSLATION of a Meeras Putrah (Letter of Inheritance) granted by the Mokuddum of the Village of Multun, dated 1814, month of June, July.

Sree. May the Divinity be propitious, Meeras Putrah, or letter of inheritance, Sukkep (7) 1736 (A.D. 1814), Bhawnam Suwuntsur, month of Asher (June, July), the fifth of the dark half of the moon. Sun 1224 (8) (A.D. 1814), on that day the Mokuddum, chief sharers in the Pateel's office and authority, and all the principal persons of the villages of Multun, Pergunnah, Kurdeh, Surkar, Joonur, being assembled at the Chowree (9), their names as follows :—

Rajah Sree Eshwunt Rao Powar, Pateel, half Mokuddum of the above village.

Nagojee,

(1) A gimlet worked by a bow.
(2) Clothes are not washed in India by the hand, but are beaten with a mallet, or beaten against a stone.
(3) A kind of little gong, used in the temple.
(4) A kind of modelling instrument used by pot-makers.
(5) An instrument for smoothing leather.
(6) One of the principal duties of the low caste Mahrs is to bring wood and grass; whence their signature of a sickle and rope.
(7) The Hindoo era. (8) The Moosulman era. (9) Public office.

Nagojee, son of Naryainjee Bargul; Chougleh,(1) present for him, Yemajee Bhoshet of the above village.
Darkajee Mahuleh of the above village.
Sewjee, son of Kundojee, chief of the shopkeepers.
Mullarjee,(2) son of Kundojee, Pateel Geeteh.
Appajee, son of Bhewjee Seendeh.
Beekajee, son of Gungajee Torreh.
Assojee, son of Gowendjee Thorat.
Ranojee, son of Myajee Guikowar, gardener of the above village.
Balojee,(3) son of Soobanjee, Pateel, Dunwut.
Gopal Rao Mulkar, Guruw of the above village.
Ballajee Bajee Rao Bhaweh.
Kublajee, son of Bhawjee Mahwleh.
Kundojee, son of Nurus Waahaab, gardener of the Muhjeen.
Suntoo Krustnajee Torkur.

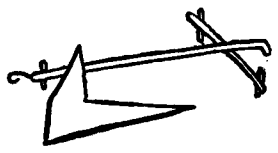
We, being present, you Koosajee, son of Ranojee, Pateel Thorat of the village of Lowkee, having come and presented a petition if a letter of inheritance (meeras putrah), were granted for lands in the above village, that you would labour and secure their prosperity. Having approved of your petition, we give to you a chowar, (4) namely, 12 rookas of land, from the two chowars of the thul or estate, called Sandus, the four landmarks[5] or limits of which are, first, on the east, the field called Juwadee cha Mullah; on the west it is bounded by the sheem or limits of the lands of the hamlet of Garkol; on the south by the fall of water from the hill at the milk bush, (6) upon the rock in the field called Urdurrah; on the north by the nullah or watercourse, where it forms an island, by separating into two streams. These are the limits. The line of your chowar runs from the nullah outside the garden, dividing the field into two parts, and terminating on the watercourse of the upper well. The mango trees within your limits, namely, two mango trees, you are to enjoy.

In consequence of the distance of your field from the village, you have prayed the pandreh (7) to assist you with water. Taking this into our consideration, we have resolved that the malee (gardener) of the garden before mentioned shall permit you without impediment to water two beegehs of your chowar.

We, the village authorities, have granted you this from our free will and pleasure, and you and your children's children are to enjoy this right of watering two beegehs. As a site for a house, we grant you land in the village, from east to west, 50 haths (cubits) long, and from north to south 30 cubits broad; the house of Jugdullah bounding it on the west; opposite, on the north, the house of Jangreh; on the south and east the two houses of Molador. Such are the limits of this site. The price of the land of this grant is 100 rupees, which we having received, grant to you this field and site for your house. Including the well, the permanent assessment is 50 rupees yearly, and upon this there will be no other charge beyond the rights of the hukdars (8) and the pay of the kool-kurnee (village accountant), agreeably to the usage and practice of the village.

And, that your family and children's children may enjoy the above lands, this letter of inheritance is given and signed.

(Signed with a plough.)



Witnessed by Appojee, son of Balcojee, the silversmith.
Ramchundra Boodeeram, Dukshneh, astrologer, and half sharer in the office of village accountant.
Ruckmanjee, son of Towjee, the carpenter.
Sooban Khan, son of Sahib Khan, the moosulman priest.
Mahadjee, son of Muckajee, the ironsmith.
Essojee, son of Dackojee, the potmaker.

Unwunt

(1) Pateel's hereditary assistant.
(2) Quarter Mokuddum.
(3) Quarter Mokuddum.
(4) A certain extent of land.
(5) चतुरसीमा Chutoorseema. Sanscrit.
(6) Euphorbia tetragona.
(7) Village authorities, or community.
(8) Persons having trifling hereditary fees, or rights on the village lands.

Unwunt, son of Tookajee, the oilman.
Koesajee, son of Savjee, the barber.
Kondajee, son of Dackojee, the washerman.
Weetojee, son of Oodajee Guruw, in charge of the temple.
Byajee, son of Maljee Naik, Ramosee. (1)
Balajee, son of Newjee, the shoemaker.
Manaknac and Ooknac, Mahrs, or village watchmen of boundaries.
Buckoo, son of Museh Raoot, Maang. (2)
This letter of inheritance is in the handwriting of Ramjee Myral Boolek, astrologer, and Koolkurnee (accountant) of the village.

The above documents present some features sufficiently prominent and remarkable. The Eenam, or free gift lands held in tenure of the office of Pateel, were alienable with part of the office; the Meeras, or hereditary private lands, were equally so. The lands and sites of houses of extinct families were appropriated by the Pateels, or the village community, without the interference of Government. A permanent hereditary right, subject to the land-tax, in fact a freehold, or, as the Meeras Putrah forcibly expresses it, a right to "children's children," was given in land by the Pateels, duly witnessed by the village authorities, and the so much desired permanent assessment was fixed in the deed of inheritance; and these were not isolated cases, or local peculiarities, but were solemnly acknowledged by the chief authorities of districts so extensive as to be equal to several English counties, and, with the full participation of the Prime Minister of the Rajah of Sattarah. Had Government claimed the lordship of the soil, could it possibly have sanctioned such absolute and unrestrained disposal of it, as we see in these documents; and I have seen scores of others similar to the Meeras Putra. It is idle, therefore, to talk of hereditary occupancy; the holders of land in the Dekkan were as free to dispose of it as an English gentleman would be of his estate, burdened, of course, with land-tax, county rates, parish assessments, &c., &c., for the non-payment of which his property would be liable. The case was the same in the Dekkan. A meerasdar fell into arrear with his land-tax and village rates. He sells his lands to pay them, or he abandons his lands; but the moment he can pay up his arrears, he has, or I should rather say, *had* the *right* to resume them. The assumption that the lordship of the soil is in the Government has occasioned the monstrous injustice of the dispossession of all the landholders of the Dekkan of their franchise. Happily, from the paternal character of the Government, it has had few practical consequences, beyond the abrogation (3) of the rights of the Pateel, and his [illegible]dation to the level of other cultivators. It has dispossessed also the village autho[illegible] the Pateel, of the power of appropriating or selling the lands of an English village, [illegible] with waste lands, similar to the common peasantry; from our ignorance, also, of [illegible]hich is so tenaciously held by our the several hereditary officers, it has occasioned [illegible] tenures and duties of of the relations of these parties to each other, and to the [illegible] been the misfortune of our Government in India, that its legislative [illegible]ifications (always, I believe, made with benevolent views), have rarely been founded [illegible] that basis, without which there can be no safe legislation; namely, statistical details.

From the first document we learn that the Pateels were responsible to Government for the village revenue, as it is seen that the Pateels, Kanulkur, and Goreh, were obliged to sell a third share of their office to make good arrears. We learn, also (but the fact obtains universally), that the village settlement was Mouzewar; that is to say, Government fixed its annual payments at a definite sum, without reference to agricultural details or village arrangements, with which Government did not interfere. (4) This was called the Tunkah, which means an *assignment;* and the term is still preserved in the village accounts I examined, even under the Ryotwar system, to remind collectors, I presume, that

(1) A thief by profession; he is either hired, or has lands given to him to protect the village.
(2) The lowest of all the castes; he is the executioner, and skins beasts, &c., &c.
(3) This abrogation has not taken place in native states, nor in Jaghree, or alienated villages in our own states.
(4) Villages were assessed at a fixed sum in England in Edward the Third's time.

that in former times the village paid only a fixed sum, without the interference of his multiplied agents.

Independently of the fees and advantages of the Pateel, enumerated in the "award," a close inspection of village accounts enabled me to determine that he had many more of considerable value. In all villages he had a certain proportion of all the grain raised on the village lands; this was called Googree.

At Parnair, Pergannah Parnair, in the Government grain cess (which is over and above the land-tax), the Pateels, koolkurnees, heads of trades, and bankers, gave only two seers for every 48 seers of grain raised, whilst the koonbees, or cultivators, gave four seers. The above personages were also free with respect to contributions of kurbah (1) and grass, whilst the koonbees had to give six bundles of kurbah, and 40 bundles of grass, for every 48 seers of grain raised. In the sherusteh butta, or customary per-centage on assessments, the Pateels paid, in some villages, only two per cent., the koonbee paying four per cent.

Although the "award" gives a list of the rights, emoluments, and fees of the Pateel, it is to be understood they are neither uniform in number nor value throughout the Dekkan. The Eenam lands held by the Pateel vary exceedingly in extent in different villages, and in some villages the Pateel has a salary in money instead of free-gift lands. The googree, or right to a certain portion of grain from each cultivator, I believe to be universal. At Ranjungaon, Turruf Ranjungaon, the Pateels are destitute of Eenam lands, but have a salary of 50 rupees instead, and six seers of grain upon every 48 seers raised in the village lands. As a contrast to this at Wamoree Turruf Rahoree, Ahmednuggur collectorate, the Pateels have 360 beeghas (2) of Eenam land, 50 rupees salary, and 18 rupees per annum, for a turband, and one seer of grain from each beegah under cultivation.

At Wangee, Pergunnah Mundroop, Poona collectorate, the Pateels have each 60 beegehs (3) of free land, a salary of 50 rupees, and 224 seers of grain for each 120 beegehs of land under cultivation.

At Kurjut, Pergunnah Kureh Wulleet, Ahmednuggur collectorate, the Pateel has free land and 128 seers of grain from every 120 beegehs of land under cultivation. The value of this right may be estimated by the fact, that in 1827 there were 8,491 beegehs of land under cultivation; the Pateel, therefore, was entitled annually to 9,057 seers of grain, a sufficiency for the permanent support of 25 persons. At Pullooj, a village near Punderpoor, belonging to the well-known Appa Desaee Nipankur, the Pateel had two seers of grain for every rupee of assessment.

The office of Pateel being alienable and divisible by sale or gift, we, consequently, find different castes in joint proprietary; although in 99 instances, probably, out of 100, it is still in the hands of the original possessors, the Mahrattas. At Wamoree, a Brahmun and a Mahratta are joint Pateels; at Ahmednuggur, a Brahmun held the office; at Nandoor, a quarter share belongs to a Mahratta, and the other three-quarters to two Mahrattas, of one-half and one-quarter. At Jamgaon, his Highness in the [illegible] has six-sevenths of the office, the other seventh remaining with the ancient Pateel, *who has precedence.* At Dytnah, I met with the anomaly of a Mahratta female in exclusive possession of the office of Pateel, the duties of which she executed personally; and she had all the rights and emoluments, excepting the sir pao, or presents for dress. She was a widow and childless, and her deceased husband was the last of an ancient family. She was permitted by the Jagheerdar to adopt a child, who would succeed her. At Wangee, Pergannah Mundroop, Poona collectorate, the Pateel's office is held by two shopkeepers (lingaeet wanees), who exclusively worship the Leeng (4) of Mahadeo, and reject the superiority of the Brahmun hierarchy. The office so filled is of rare occurrence. In the hilly tracts along the Ghauts, the Pateels are frequently kholees.

With regard to the duties and obligations of the Pateel, it has been shown, that he was personally responsible for the Government revenue; he superintended the police of the village, regulated its internal economy, and presided in all village councils; he had power to fine and imprison, and to seize all offenders; but it is not quite clear by what civil or military means he was to effect these objects.

Independently

(1) Stalks of the Andropogon Sorghum. (2) 270 acres. (3) 45 acres. (4) Phallus.

Independently of the facts relating to property in land, the "award" adverts to several customs, and Hindoo religious and other festivals, not less curious than interesting, particularly the festivals; for many of them bear considerable affinity in their details to similar institutions amongst the Greeks; and some light might be thrown on the relations of the ancient inhabitants of India with western nations were some of our zealous young orientalists in India, fresh from their classical associations, to furnish the public with minute accounts of the ceremonies at present practised at the different festivals, not taken from Sanscrit works, but noted down from personal observation, and chiefly from the rural or shoodreh population (who are mostly worshippers of Mahadeo) in Western India. One of the items of the "award" will assist to disabuse the European world of its belief in the anti-carnivorous propensity of the Hindoos, as special provision is made, that the sheep's heads offered at the shrine of Bowanee shall be shared equally among the Pateels. (1)

As auxiliary to the land tenures of the Dekkan, I have thought it might be acceptable to show the distribution of the lands of a village, and the village expenses. The following are copies of the original papers in the Mahratta language, and are selected from a small village, to spare lengthened details.

LANDS belonging to the Village of *Ambolee Turruf Warruh Pergunnah, Kher Soobah Poona*, exhibiting the Distribution thereof, Fuslee, 1280.

| | *Ks.* | *ms.* | *ps.* | *Ks.* | *ms.* | *ps.* | *Ks.* | *ms.* | *ps.* |
|---|---|---|---|---|---|---|---|---|---|
| Total lands of the village - - - | 0 | 0 | 0 | 0 | 0 | 0 | 15 | 0 | 0 |
| Tupseel, or detail. Sostee Meerasdar, or hereditary lands - - - - - - - | 0 | 0 | 0 | 6 | 6 | 0 | 0 | 0 | 0 |
| Woktee, or Ooktee, lands rented by the year - | 0 | 0 | 0 | 0 | 19 | 0 | 0 | 0 | 0 |
| Deshmooks Eenam, or free land - - - | 0 | 0 | 0 | 0 | 13 | 0 | 0 | 0 | 0 |
| Baboo Rao, Esba Rao, Rajba Rao, Mancojee Rao, Pateel and Baboo Rao, Seendeh, Deshmook, and Pateel, viz. - - - - | 0 | 0 | 0 | 0 | 9 | 0 | 0 | 0 | 0 |
| Pateels Eenam - - - - - | 0 | 5 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Pateels Passoree - - - - - | 0 | 4 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Dewustan, temple of Bab Deo - - - | 0 | 1 | 0 | 0 | 1 | 0 | 0 | 0 | 0 |
| Ballooteh, or village artisans, viz. - - - | 0 | 0 | 0 | 0 | 10 | 6 | 0 | 0 | 0 |
| Koomar, or potmaker - - - - | 0 | 1 | 6 | 0 | 0 | 0 | 0 | 0 | 0 |
| Turrah, or Kohlee, waterman - - | 0 | 1 | 6 | 0 | 0 | 0 | 0 | 0 | 0 |
| Purheet, or washerman - - - - | 0 | 1 | 6 | 0 | 0 | 0 | 0 | 0 | 0 |
| Sootar, or carpenter - - - - | 0 | 2 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Chamar, or shoemaker - - - - | 0 | 2 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Na[illegible]her - - - - | 0 | 2 | 6 | 0 | 0 | 0 | 0 | 0 | 0 |
| Mahrs, or village watchmen, Hurkee and Arhowlah, viz. - - - | | | | | | | | | |
| Hurkee, *i. e.* Eenam, or free land - - | | | 0 | 0 | 0 | 6 | 6 | 0 | 0 |
| Arhowlah, or quit-rent land - - - | | | 2 | 6 | 0 | 0 | 0 | 0 | 0 |
| Ghaee Ràn, or cattle pasture, with Donghur, or hill land - - - - - - - | 0 | 0 | 0 | 1 | 16 | 0 | 0 | 0 | 0 |
| In dispute between the village of Eeram and Ambolee - - - - - - - - | 0 | 0 | 0 | 2 | 10 | 0 | 0 | 0 | 0 |
| Uncultivated land - - - - - - | 0 | 0 | 0 | 1 | 9 | 0 | 0 | 0 | 0 |
| TOTAL - - - | 0 | 0 | 0 | 15 | 0 | 0 | 15 | 0 | 0 |

Each column is headed by *Ks.*, *ms.*, and *ps.* The whole village lands are assessed on their *produce*, and not on their area. Ks. is the abbreviation of Kundee; ms., of Mund; and ps., of Pyhlees.

There are 20 maunds (properly mun) to a kundee; each mund of 12 pyhlees; each pyhlees of four seers; a seer of Bajree (panicum spicatum, the grain cultivated in this village) weighs 2¼ lbs. avoirdupois; the utmost capability of the lands, therefore, was to produce 32,400 lbs. avoirdupois of grain; the tax on the land being by its productive power, and not on its superficial extent.

(1) I must not omit to notice the characteristic signatures of the different witnesses. Those who could not write, it may be well supposed, could yet draw the symbol of their occupation—a plough for a cultivator, a gimlet for a carpenter, and a rope and sickle for the grass-cutter; but why the astrologer should draw an almanac for his signature, and the Moosalman priest a rosary for his, both being persons able to write, is not quite so intelligible.

Gao Khurch, or Village Expenses of the Village of *Ambolee*, &c., Fuslee, 1230.

| | Rs. | qrs. | a. | Rs. | qrs. | a. | Rs. | qrs. | a. |
|---|---|---|---|---|---|---|---|---|---|
| Dewusthan, or religious establishments; viz. | - | | - | - | | - | 10 | 1 | - |
| Sree Beema Shunkur | 1 | - | - | | — | | | — | |
| Gram Dewtah, or village gods | 4 | 1 | - | | — | | | — | |
| Sree Babdeo | 2 | 2 | - | | — | | | — | |
| Oil for Marwutees temple | - | 2 | - | | — | | | — | |
| Guruw, or sweeper of the temples and trifles | 2 | - | - | 10 | 1 | - | | — | |
| Grant to the Mahrs for a propitiatory sacrifice in August—September, called Mahr Bhadwee | 1 | - | - | 1 | - | - | 1 | - | - |
| Hukdar Khurch, or rights of ancient hereditary officers; viz. | - | | - | - | | - | 25 | - | - |
| Deshpandeh, or district accountant; money | 10 | - | - | | — | | | — | |
| Toop, or clarified butter, one seer, at two seers per rupee | - | 2 | - | 10 | 2 | - | | — | |
| Sir Pateel Eswunt Rao Dabaree; viz. | - | | - | 10 | - | - | | — | |
| Bhet, or present at meeting | 1 | - | - | | — | | | — | |
| Mahr Rapta, in lieu of service of Mahrs to him | 1 | - | - | | — | | | — | |
| One seer of toop, or clarified butter | - | 2 | - | | — | | | — | |
| Nugd, or ready money | 7 | 2 | - | | — | | | — | |
| Sir Desaee Eswudah Baee Chaskar; money | 2 | - | - | 2 | - | - | | — | |
| Naikwaree, Fee to Sonjee Naik Moorkootee | 1 | - | - | 1 | - | - | | — | |
| Aplad, or bounty for the Deshpandees descendants by female line | 1 | 2 | - | 1 | 2 | - | | — | |
| Koolkurnee, or village accountant; viz. | - | | - | - | | - | 17 | - | - |
| Ready money | 15 | - | - | | — | | | — | |
| Khaguz, or paper | 1 | - | - | | — | | | — | |
| Kilkoe, or trifles | 1 | - | - | 17 | - | - | | — | |
| Dhurmadeo Wurshasun, or yearly charity to holy men; viz. | - | | - | - | | - | 5 | 1 | - |
| Gram Johsee, or village astrologer | 1 | - | - | | — | | | — | |
| Hur Dixit, a Brahmun | - | 2 | - | | — | | | — | |
| Aba Bhat Guwdee, a Brahmun | - | 1 | - | | — | | | — | |
| Balum Bhat Kondorekur, a Brahmun | - | 1 | - | | — | | | — | |
| Sree Weeshoo, the god at Chass | - | 2 | - | | — | | | — | |
| Sham Bhat Gowundee, a Brahmun | - | 2 | - | | — | | | — | |
| Sree Ram Chundreh, the god at Warrah | 1 | - | - | | — | | | — | |
| Seemeca Gosaiwee Jonurkur, a mendicant | - | 2 | - | | — | | | — | |
| Aba Bhut Atree, a Brahmun | - | 2 | - | | — | | | — | |
| Moroo Bullar Johesee, an astrologer | - | 1 | - | 5 | 1 | - | | — | |
| Bazar Butta, or customary per centage on village revenue, paid to Government | 10 | - | 3¼ | 10 | - | 3¼ | 10 | - | 3¼ |
| Grand Total of Village Expenses - Rs. | 68 | 2 | 3¼ | | | 3¼ | 68 | 2 | 3¼ |

[redacted] the cultivators, over and above the Tunkha, or Government revenue upon the village.

The above sum is a [redacted]

Before concluding this Report, I must say a few words in explanation of the mode of spelling Oriental terms. As far as Chapter XIII., inclusive, Sir William Jones's plan is followed; but, with the native words before me, in the Deva Nagree, Persian, and Mahrattee characters, I felt, as I proceeded, increasing misgivings of an Englishman, uninstructed in Sir William Jones's system, being able to pronounce native terms correctly; I therefore discontinued his method, and for the remainder of the Report I have spelled native words in a manner which, I hope, will enable an Englishman, ignorant of native words, to pronounce them with an approach to accuracy.

(signed) *W. H. Sykes*,
Statistical Reporter to the Government of Bombay.

Poona, December 1830.

# EAST INDIA.

RETURN to an Order of the Honourable The House of Commons, dated 21 February 1854;—*for*,

STATEMENT "showing the Quantity of LAND under CULTIVATION in each of the Districts of the *Madras* Presidency, distinguishing the Quantity in Acres or Cawnies, of Land IRRIGATED, with the Amount in Rupees of the Government Assessment rated thereon, and the Quantity of Land in Acres or Cawnies, under DRY CULTIVATION, with the Amount of Government Assessment rated thereon; the Total LAND REVENUE in each District, Gross and Net, and the TOTAL AREA of each District in Acres or Cawnies, which are Barren, not Cultivated, or Alienated in Enaum; also, an ABSTRACT of the TOTAL AREA, in Acres or Cawnies, in the several Districts of the *Madras* Presidency, comprising Cultivated and Uncultivated Lands:"

And, COPIES of all APPLICATIONS from the Government of *Madras* to the Government of *India*, and to the Honourable Court of Directors, during the Seven Years from 1847 to 1853, both inclusive, for Sanction for Expenditure for PUBLIC WORKS connected with the Improvement of the Country, or connected with the Revenue, Works, or Works of Irrigation, or for Works on which the Cultivation of the Country depends; together with Copies of the REPLIES and LETTERS from the Honourable Court of Directors and Government of *India* to the Government of *Madras* to such Applications, during the Seven Years from 1847 to 1853, both inclusive."

East India House,
8 May 1854.

JAMES C. MELVILL,
Secretary.

(*Mr. Hume.*)

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*Ordered, by* The House of Commons, *to be Printed*,
8 & 10 *May* 1854.

# LIST.


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Statement of the Quantity of Land under Cultivation in each of the Districts of the Madras Presidency, distinguishing the Quantity of Land Irrigated and the Quantity under Dry Cultivation; Amount of Government Assessment; Total Land Revenue; and Total Area of each District Barren, not Cultivated, or alienated in Enam - - - - - 1

## Godavery Annicut, and connecting Channels of Irrigation:

Letter from Government of Madras to Court of Directors; dated 15 May (No. 29) 1847 - 2

Letter from Government of Madras to Government of India; dated 9 February (No. 186 A.) 1847 - - - - - - - - - - - - - - - 3

Letter from Government of Madras to Government of India; dated 6 August (No. 883) 1847 3

Letter from Government of India to Government of Madras; dated 28 August (No. 787) 1847 4

Letter from Government of Madras to Court of Directors; dated 26 April (No. 32) 1848 - 4

Letter from Government of Madras to Court of Directors; dated 8 July (No. 47) 1848 - 4

Letter from Government of Madras to Government of India; dated 8 July (No. 732 A.) 1848 6

Letter from Government of India to Government of Madras; dated 5 August (No. 615) 1848 7

Letter from Court of Directors to Government of Madras; dated 20 September (No. 15) 1848 7

Letter from Government of Madras to Court of Directors; dated 12 September (No. 66) 1848 8

Letter from Government of Madras to Government of India; dated 29 August (No. 941) 1848 9

Letter from Government of Madras to Court of Directors; dated 20 November (No. 83) 1848 9

Letter from Government of India to Government of Madras; dated 16 September (No. 719) 1848 - - - - - - - - - - - - - - - - 10

Letter from Court of Directors to Government of Madras (Extract); dated 22 August (No. 9) 1849 - - - - - - - - - - - - - - - - 10

Letter from Government of Madras to Court of Directors; dated 13 February (No. 6) 1849 10

Letter from Government of Madras to Government of India; dated 13 February (No. 146) 1849 - - - - - - - - - - - - - - - - - 12

Letter from Government of India to Government of Madras; dated 3 March (No. 150) 1849 13

Letter from Court of Directors to Government of Madras; dated 18 July (No. 6) 1849 - 13

Letter from Government of Madras to Court of Directors; dated 23 January (No. 6) 1850, and Minutes enclosed - - - - - - - - - - - - - 15

Letter from Government of Madras to Court of Directors (Extract); dated 6 June (No. 30) 1850 - - - - - - - - - - - - - - - - - 17

Letter from Government of Madras to Government of India; dated 11 October (No. 972) 1849 - - - - - - - - - - - - - - - - - 17

Letter from Government of India to Government of Madras; dated 23 November (No. 803) 1849 - - - - - - - - - - - - - - - - 18

Letter from Government of Madras to Court of Directors (Extract); dated 12 February (No. 9) 1851 - - - - - - - - - - - - - - - - 18

Letter from Government of Madras to Government of India; dated 8 February (No. 123) 1851, with enclosed Minutes and Note by Chief Secretary - - - - - - - 18

Letter from Government of Madras to Court of Directors (Extract); dated 25 October (No. 60) 1851 - - - - - - - - - - - - - - - - 21

Letter from Government of Madras to Government of India; dated 6 March (No. 226) 1851 22

Resolution of Government of India, &c.; dated 11 April (No. 551) 1851 - - - 23

Resolution of Government of Madras; dated 6 May (No. 434) 1851 - - - - 23

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Letter from Government of Madras to Court of Directors (Extract); dated 7 June (No. 27) 1852 24

Letter from Government of Madras to Government of India; dated 9 December (No. 1,220) 1851, Minutes of Government and Note by Chief Secretary enclosed - - - - - 25

Resolution of Government of India; dated 4 February (No. 304) 1852 - - - - 26

Resolution of Government of Madras; dated 13 March (No. 246) 1852 - - - - 27

Letter from Government of Madras to Government of India; dated 28 February (No. 196) 1852 - - - - - - - - - - - - - - - 28

Resolution of Government of India; dated 30 April (No. 856) 1852 - - - - 28

Letter from Government of Madras to Government of India; dated 24 February (No. 175) 1852 29

Resolution of Government of India; dated 2 April (No. 573) 1852 - - - - - 29

Resolution of Government of Madras; dated 27 April (No. 386) 1852 - - - - 30

Letter from Government of Madras to Court of Directors (Extract); dated 22 February (No. 13) 1853 - - - - - - - - - - - - - - - 30

Letter from Government of Madras to Court of Directors (Extract); dated 24 June (No. 34) 1853 - - - - - - - - - - - - - - - - 31

Letter from Government of Madras to Government of India; dated 24 March (No. 340) 1853 32

Letter from Government of Madras to Government of India; dated 14 May (No. 536) 1853 32

## Trivady Annicut, across the Guddalum, in South Arcot:

Letter from Government of Madras to Court of Directors (Extract); dated 15 November (No. 54) 1847 - - - - - - - - - - - - - - - - 33

Letter from Government of Madras to Government of India; dated 11 September (No. 920) 1846 - - - - - - - - - - - - - - - - 33

Letter from Government of India to Government of Madras; dated 10 October (No. 681) 1846 - - - - - - - - - - - - - - - - 34

Letter from Government of Madras to Government of India; dated 1 June (No. 588) 1848 - 34

Letter from Government of Madras to Court of Directors; dated 23 September (No. 72) 1848 34

Letter from Government of India to Government of Madras; dated 17 June (No. 458) 1848 35

Letter from Court of Directors to Government of Madras (Extract); dated 22 August (No. 9) 1849 - - - - - - - - - - - - - - - 35

## Vellaur Annicut:

Letter from Government of Madras to Court of Directors (Extract); dated 28 April (No. 34) 1848 - - - - - - - - - - - - - - - - 35

Letter from Court of Directors to Government of Madras (Extract); dated 22 August (No. 9) 1849 - - - - - - - - - - - - - - - - 36

## Dams across the Heads of the Cauvery and Vennaar:

Letter from Government of Madras to Court of Directors (Extract); dated 20 November (No. 83) 1848 - - - - - - - - - - - - - - - - 36

Letter from Government of Madras to Government of India; dated 17 August (No. 888) 1848 - - - - - - - - - - - - - - - - 36

Letter from Government of India to Government of Madras; dated 16 September (No. 720) 1848 - - - - - - - - - - - - - - - - 37

Letter from Court of Directors to Government of Madras (Extract); dated 22 August (No. 9) 1849 - - - - - - - - - - - - - - - - 37

## Kistna Annicut at Bezoorah:

Letter from Government of Madras to Court of Directors (Extract); dated 20 November (No. 83) 1848 - - - - - - - - - - - - - - - - 37

Letter from Court of Directors to Government of Madras (Extract); dated 22 August (No. 9) 1849 - - - - - - - - - - - - - - - - 38

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Letter from Government of Madras to Court of Directors; dated 20 July (No. 37) 1849 - 38

Letter from Government of Madras to Government of India; dated 20 July (No. 681) 1849, Minutes enclosed - - - - - - - - - - - - - - 39

Letter from Court of Directors to Government of Madras; dated 8 January (No. 1) 1851 - 42

## Annicut serving as a Bridge across the Pennaar;

Letter from Government of Madras to Government of India; dated 27 May (No. 497) 1851 44

Resolution of Government of India; dated 18 July (No. 1,207) 1851 - - - - - 44

Letter from Court of Directors to Government of Madras; dated 18 February (No. 2) 1852 45

## Cheyaur Annicut, in North Arcot:

Letter from Government of Madras to Court of Directors; dated 25 June (No. 30) 1851 - 45

Letter from Government of Madras to Government of India; dated 7 December (No. 1,150) 1850 46

Resolution of Government of India; dated 14 March (No. 367) 1851 - - - - 46

Letter from Government of Madras to Government of India; dated 13 June (No. 567) 1851 47

Letter from Government of Madras to Court of Directors; dated 19 November (No. 9) 1851 48

## Dam at Chutwye:

Letter from Government of Madras to Court of Directors; dated 10 September (No. 53) 1851 48

Letter from Government of Madras to Court of Directors; dated 25 June (No. 30) 1852, and Minutes enclosed - - - - - - - - - - - - - 49

Letter from Court of Directors to Government of Madras; dated 15 December (No. 19) 1852 50

## Palar Annicut:

Letter from Government of Madras to Court of Directors; dated 22 September (No. 61) 1853 51

Letter from Government of Madras to Government of India; dated 13 September (No. 1,047) 1853, and Minutes enclosed, with Note by Chief Secretary - - - - - - 52

## Calicut Canal, Agoombie Ghaut:

Letter from Government of Madras to Court of Directors; dated 17 May (No. 3) 1847 - 58

Letter from Court of Directors to Government of Madras (Extract); dated 31 May (No. 12) 1848 - - - - - - - - - - - - - - - 59

Letter from Government of Madras to Government of India; dated 2 November (No. 222) 1849 - - - - - - - - - - - - - - - - 59

Letter from Government of India to Government of Madras; dated 23 November (No. 825) 1849 - - - - - - - - - - - - - - - - 59

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East India House,
3 May 1854.

*T. L. Peacock,*
Examiner of India Correspondence.

STATEMENT showing the Quantity of LAND under CULTIVATION in each of the Districts of the *Madras* Presidency, distinguishing the Quantity, in Acres or Cawnies, of Land IRRIGATED, with the Amount in Rupees of the Government Assessment rated thereon; and the Quantity of Land, in Acres or Cawnies, under DRY CULTIVATION, with the Amount of Government Assessment rated thereon; the Total LAND REVENUE in each District, Gross and Net; and the TOTAL AREA of each District, in Acres or Cawnies, which are Barren, not Cultivated or Alienated in *Enaum*; also, an ABSTRACT of the TOTAL AREA, in Acres or Cawnies, in the several Districts of the *Madras* Presidency, comprising Cultivated and Uncultivated Lands.

| DISTRICTS. | IRRIGATED LAND. | | DRY CULTIVATION. | | TOTAL CULTIVATED LAND. | | 7. | 8. | 9. | 10. | 11. |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | 1. Quantity. | 2. Assessment thereon. | 3. Quantity. | 4. Assessment thereon. | 5. Quantity. | 6. Assessment thereon. | TOTAL LAND REVENUE. | BARREN LAND. | UNCULTIVATED LAND. | LAND ALIENATED IN ENAUM. | TOTAL AREA, Cultivated and Uncultivated. |
| | *Acres* | *Rupees.* | *Acres.* | *Rupees.* | *Acres.* | *Rupees.* | *Rupees.* | *Acres.* | *Acres.* | *Acres.* | *Acres.* |
| Ganjam | 107,454 | cannot be given | 53,908 | cannot be given | 161,362 | 3,77,378 | 9,33,777 | It is necessary to remark, that the first six columns give the extent of land under Annual Settlement only: the land under Permanent Settlement is not included, no returns of the latter having been received. The seventh column exhibits the Amount of Government demand for one year (1850–51), under both modes of settlement, Annual and Permanent. From these causes arise some obvious differences between the results exhibited in the sixth and seventh columns. | | | 4,096,000 |
| Vizagapatam | 19,240 | ditto | 10,750 | ditto | 29,990 | 2,20,003 | 12,37,289 | | | | 4,896,000 |
| Rajahmundry | 87,757 | 4,49,987 | 187,328 | 8,83,403 | 275,085 | 13,33,390 | 19,91,485 | | | | 3,872,000 |
| Masulipatam | 163,354 | cannot be given | 387,752 | cannot be given | 551,106 | 4,33,724 | 9,49,304 | | | | 3,200,000 |
| Guntoor | 31,216 | 1,98,987 | 659,304 | 9,78,467 | 690,520 | 11,77,454 | 14,03,059 | | | | 3,174,400 |
| Chingleput | 138,432 | 7,03,896 | 65,420 | 1,13,787 | 203,852 | 8,17,683 | 9,22,993 | | | | 1,915,520 |
| Salem | 75,714 | 4,89,544 | 614,430 | 8,33,566 | 690,144 | 13,23,110 | 17,75,319 | | | | 5,248,000 |
| Madura | 136,959 | 6,64,337 | 356,940 | 5,14,130 | 493,899 | 11,78,467 | 19,40,843 | | | | 6,848,000 |
| Nellore | 143,768 | 9,56,390 | 225,150 | 2,29,010 | 368,918 | 11,85,400 | 18,82,107 | | | | 5,075,200 |
| North Arcot | 154,854 | 13,21,812 | 238,325 | 4,98,663 | 393,179 | 18,20,475 | 20,84,220 | | | | 3,705,600 |
| South Arcot | 158,338 | 11,70,056 | 467,617 | 12,47,246 | 625,955 | 24,17,302 | 23,40,221 | | | | 4,864,000 |
| Tanjore | 713,913 | 33,48,603 | 169,084 | 1,97,109 | 882,997 | 35,45,712 | 39,20,032 | | | | 2,496,000 |
| Trichinopoly | 97,258 | 9,13,266 | 233,485 | 5,47,666 | 330,743 | 14,60,932 | 14,20,091 | | | | 2,075,520 |
| Tinnevelly | 190,814 | 13,09,857 | 543,055 | 4,18,827 | 733,869 | 17,28,684 | 20,24,608 | | | | 3,648,000 |
| Bellary | 149,515 | 13,43,288 | 1,782,562 | 14,69,247 | 1,932,077 | 28,12,535 | 22,43,162 | | | | 8,355,840 |
| Cuddapah | 151,637 | 14,45,286 | 1,147,990 | 11,82,200 | 1,299,627 | 26,27,486 | 21,89,541 | | | | 8,300,800 |
| Coimbatore | 70,707 | 5,25,661 | 1,527,867 | 16,47,603 | 1,598,574 | 21,73,264 | 23,48,861 | | | | 5,299,200 |
| Canara | cannot be given | | | | | | 19,04,731 | | | | 4,040,800 |
| Malabar | 84,611 | 5,13,942 | 2,970,119 | 11,30,897 | 3,054,730 | 16,44,839 | 16,45,171 | | | | 3,878,400 |
| Madras | 2,842 | 11,338 | | | 2,842 | 11,338 | 65,936 | | | | 17,280 |
| Kurnool | 11,913 | 1,04,282 | 475,706 | 5,58,411 | 487,619 | 6,62,693 | 7,22,882 | | | | 1,691,520 |
| TOTAL | 2,690,206 | 1,54,70,532 | 12,116,792 | 1,24,50,232 | 14,807,088 | 2,89,51,869 | 3,59,45,632 | | | | 87,598,080 |

Statistical Office, East India House,
8 May 1854.

*Edw. Thornton.*

COPIES of all APPLICATIONS from the Government of *Madras* to the Government of *India*, and to the Honourable Court of Directors, during the Seven Years from 1847 to 1853, both inclusive, for Sanction for Expenditure for PUBLIC WORKS connected with the Improvement of the Country, or connected with the Revenue, Works or Works of Irrigation, or for Works on which the Cultivation of the Country depends; together with Copies of the REPLIES and LETTERS from the Honourable Court of Directors and Government of *India* to the Government of *Madras* to such Applications, during the Seven Years from 1847 to 1853, both inclusive.

Godavery Annicut.

## Godavery Annicut, and connecting Channels of Irrigation.

Revenue Department, 15 May (No. 29) 1847.

To the Honourable the Court of Directors of the East India Company.

Honourable Sirs,

Para. WE have the honour to acknowledge the receipt of your letter in this department, dated 23d December 1846, No. 19, conveying sanction for the estimated expenditure of 4,75,752 rupees for the construction of an annicut across the Godavery River, in the Rajahmundry district.

2. We communicated this despatch to the Board of Public Works, and desired them to issue the necessary instructions to the local revenue and engineer officers of the district for carrying the work into execution, and we at the same time furnished a copy to the Government of India.

Cons. 9 Feb. 1847, No. 7, 8.

3. We take this opportunity to submit copy of the correspondence recorded in the Consultations noted in the margin,* which will acquaint your Honourable Court of the further proceedings and arrangements authorized by us, connected with the works of the Godavery Annicut.

* *See* below.

4. It will be observed, that we authorized a disbursement of 5,000 rupees for the purchase of timber on account of the annicut and its dependent works; of 1,800 rupees for the construction of flat-bottom boats for the transport of materials; of 5,410 rupees for the construction of a railway for the purpose of carrying stone from the quarry near Dhoulaiswarum to the banks of the river; and of 4,500 rupees for the provision of cut-stone; and that it is proposed further to establish a workshop in the district, and to obtain a steam tug-boat. The zillah surgeon of Rajahmundry has also been placed in medical charge of the civil engineers' establishment, and the large bodies of labourers employed on the annicut with the usual allowance of 40 rupees per mensem.

5. In connexion with the arrangements for improving the irrigation of the Rajahmundry district, reported in the concluding para. of our revenue letter, No. 22, dated 14th April 1846, we now forward a copy of a correspondence with the Board of Public Works, from which it will be seen, that the cost of the Samulcottah or Thooliah Bagah Channel is likely to exceed the estimate by 2,000 rupees, and that under the explanation furnished in a recent letter, of the advantage already derived from the channel, and of the necessity, in order to bring it into full operation for the construction of sluices, we authorized a disbursement of 5,419 rupees for that purpose, recommended by the Board of Revenue.

Rev. Cons. 5 May 1846, No. 4, 5; 2 June, 1846, Nos. 3, 4; 7 July 1846, Nos. 39, 40; April 1847.

* Revenue Diary, 4 Aug. 1846, No. 24, 25; Public Works, 15 Sept. 1846, No. 3, 4; Revenue, 6 Oct. 1846, No. 43 to 45; Revenue, 24 Nov. 1846, No 11, 12; Revenue, 1 Dec. 1846, No. 14, 15; Revenue, 22 Dec. 1846, No. 21, 22, 57 to 60; Revenue, 12 Jan., 1847, No. 55. 56; Public Works, 9 Feb. 1847, No. 11, 12; Revenue, 23 Feb. 1847, No. 48, 49; Revenue, 9 March 1847, No. 10, 11; Revenue, 23 March 1847; Revenue, 13 April 1847; April 1847.

Revenue. There was also under our consideration a proposition of the civil engineer, to employ the labouring classes on public works, with the view of alleviating the distress from an apprehended scarcity; but the necessity has passed away, and rendered unnecessary the measures authorized by us on that account. Godavery Annicut.

We have, &c.
(signed) *Tweeddale.*
*H. Chamier.*
*J. Dickinson.*

Revenue Department, No. 186 A.

From Sir *H. C. Montgomery*, Bart., Officiating Secretary to the Government of Fort St. George, to *G. A. Bushby*, Esq., Secretary to the Government of India.

Sir,

I AM directed by the Most Noble the Governor in Council to transmit, for the information of the Government of India, copy of a despatch in the Revenue Department from the Honourable Court of Directors, dated 23d December 1846, No. 19, sanctioning an expenditure of 4,75,752 rupees, for the construction of an annicut across the Godavery River, for the improvement of the irrigation of the Rajahmundry district, and to intimate that orders have been issued by this Government for carrying the work into execution.

2. I am desired at the same time to acknowledge the receipt of your letter, dated the 18th July 1846, No. 457, and to state that the Board of Revenue in the Department of Public Works have been instructed to refer the observations of the Government of India on the proposed dike and sluices, along the Godavery, and on the embankment of rivers generally, for the report of the civil engineer under this Presidency, and to submit the same with their own opinion on this important question. On this portion of the subject the Government propose to address the Government of India separately on the receipt of a reply from the Board of Revenue.

(signed) *H. C. Montgomery,*
Officiating Secretary to Government.

Fort St. George,
9 February 1847.

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Revenue Department, No. 883.

From Sir *H. C. Montgomery*, Bart., Secretary to the Government of Fort St. George, to *G. A. Bushby*, Esq., Secretary to the Government of India.

Sir,

I AM directed by the Most Noble the Governor in Council to acknowledge the receipt of your letter, dated 18th July 1846, No. 457, and, with reference to the inquiry directed to be made in para. 3, to request you will submit for the consideration of the Government of India the correspondence with the Board of Revenue in the Department of Public Works noted in the margin,* giving cover to reports from the engineer officers of the Madras Presidency experienced in the management of rivers, upon the subject of river embankments.

* See below.

2. With reference to what has been urged in respect of the Godavery, his Lordship in Council requests that the estimate for Rs.34,994. 10. 11., for a dike with sluices along the eastern bank of that river, may now receive the sanction of the Government of India.

3. He desires also to recommend that the request preferred by the Board in para. 53 of their letter, dated 1st July 1847, No. 545, " for a description of the Bengal rivers and of the country through which they flow, and their embankments,

* From Board of Revenue, Department Public Works, 3 December 1846, No. 830, with two Enclosures; Extract Minutes of Consultations, 30 January 1847, No. 143; from Board of Revenue, Department Public Works, 1 July 1847, No. 545, with 12 Enclosures.

Godavery Annicut.

ments, together with any observations and reports that have been already made upon them," may be complied with.

I have, &c.
(signed) *H. C. Montgomery,*
Secretary to Government.

Fort St. George,
6 August 1847.

No. 28.

No. 787.

From *G. A. Bushby*, Esq., Secretary to the Government of India, to Sir *H. C. Montgomery*, Bart., Secretary to the Government of Fort St. George.

Sir,

I AM directed to acknowledge the receipt of your letter, No. 883, dated the 6th instant, with enclosures, and, in reply, to state, that, in compliance with the strong recommendation of the Most Noble the Governor in Council, the President in Council sanctions the construction of a dike with sluices along the eastern bank of the Godavery River, at an estimated cost of Rs.34,994. 10. 11.

2. The Government of Bengal have this day been called on to furnish the information required in the 3d para. of your letter, which will be communicated to you when received.

I have, &c.
(signed) *G. A. Bushby,*
Secretary to Government of India.

Fort William,
28 August 1847.

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Revenue Department, 26 April (No. 32) 1848.

To the Honourable the Court of Directors of the East India Company.

Honourable Sirs,

Cons. 18 Apr. 1848.

WE have the honour to transmit, in continuation of paras. 2 and 3 of our letter in this department, dated 14th January 1848, No. 12, copy of a communication from the Board of Revenue, giving cover to one from the civil engineer, 1st division, reporting upon the progress of the Godavery Annicut, and its probable ultimate cost.

2. Referring your Honourable Court to the report itself for particular information of the extent of the progress made in this important undertaking to the present period, we have only to observe, that we have recorded our approbation of the exertions of Major Cotton and his subordinates.

We have, &c.
(signed) *Henry Pottinger.*
*G. J. F. Berkeley.*
*H. Dickinson.*
*D. Eliott.*

Fort St. George,
26 April 1848.

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Fort St. George, Revenue Department, 8 July (No. 47) 1848.

To the Honourable the Court of Directors of the East India Company.

Honourable Sirs,

Dated 15 June 1848, No. 436.

Para. 1. WE have the honour to transmit, in continuation of our letter in this department, dated 26 April 1848, No. 32, copy of a letter from the Board of Revenue in the Department of Public Works, giving cover to a further report from Major Cotton, civil engineer of the 1st division, on the progress of the works of the Godavery Annicut, in the Rajahmundry district, together with an extract from the Minutes of Consultation of this day's date, in which we have recorded our views on the subject at full length.

2. Your Honourable Court will, especially after our letter of the above date, No. 32, learn, with equal deep regret to that which we feel in communicating it, from these papers, that the large sum sanctioned for the construction of the Godavery Annicut has already been expended, and that a further demand of

139,100 rupees is now made upon the treasury. By the report of Major Cotton, which we regard as far from satisfactory as an explanation of the causes of the expenditure so greatly exceeding the estimate, the works appear less than half finished, and by no means proportionate to the expenditure. They are not, we fear, even placed in a condition of security against the effects of the heavy freshes of the season; indeed, we have since received intimation of a breach in one branch of the work. Godavery Annicut.

3. We agree in the opinion of the Board of Revenue, that the civil engineer has not sufficient data, in the present state of the works, for estimating the ultimate expenditure, and we are inclined to believe that a larger sum than that now estimated will be required to bring them to completion. We have desired the Board to obtain from the civil engineer, as soon as the state of the river will admit, a detailed and accurate account of the work yet to be performed, inclusive of the repair of the damages that may be sustained by the freshes, with an estimate of the probable cost, and have further instructed them to subject the same to the closest scrutiny in their office, and to submit it for our orders as soon after as practicable. From Board of Revenue, 3 July 1848, No. 466.

4. As the full operations of the annicut cannot be resumed till the end of November, thus admitting of the receipt of your instructions without hindrance to the work, we have resolved at once to submit the correspondence for the information of your Honourable Court, and we now solicit your orders, for our guidance, at the earliest possible period. In the meantime, as some outlay is indispensable, not only for the preservation of the works, but for carrying on such as are absolutely required, we have incurred the responsibility of sanctioning a sum of 20,000 rupees, recommended by the Board for these purposes. We have, however, directed the Board to be careful that no further work is undertaken that is not absolutely required, and that the establishment and workmen are reduced as far as possible pending the receipt of your Honourable Court's instructions.

5. We fully concur in the soundness of the opinion given by the Board in the 15th para. of their letter, and have expressed much regret that Major Cotton's zeal and great anxiety to bring the expected advantages of the annicut into early operation should in the last few months have tempted him to incur the extravagant expenditure of the public money now reported, for which we were unable to admit a valid excuse in the difficulties he had to contend against, or in the novelty of the arrangements, and the magnitude of the work, the extenuating circumstances advanced by the Board in his behalf.

6. We hope, however, that the completion of the work will yet be effected, though at an additional considerable outlay, and that it will speedily repay the large expenditure by a rapid increase of the public revenue; and if your Honourable Court be pleased to sanction the further sum that may become requisite, and which we beg to recommend, we pledge ourselves not to give effect to the sanction until we are fully satisfied that our doing so will secure the desired end beyond the chance of failure, of which the condition of the annicut after the rains will afford us ample opportunity to judge.

7. We have desired to be periodically informed of the state of the works during the freshes, and have informed the Board that we depend on their giving their constant and earnest attention to the subject.

8. We take this opportunity to report, that on the 26th April last we sanctioned an estimate, amounting to Rs. 9,966. 2. 1., for the construction of locks and callngulahs, for the improvement of the irrigation and navigation of the Thooliah Bagah Channel, and that on the 6th June we authorized an advance of 5,000 rupees for opening a portion of the main channel of irrigation leading from the Godavery Annicut down the central tract of the Delta. Diary, 2 May 1848, Nos. 42, 43. Cons. 6 June, No. 630.

We have, &c.
(signed) *Henry Pottinger.*
*G. F. Berkeley.*
*D. Eliott.*

Fort St. George,
8 July 1848.

Godavery Annicut.

EXTRACT Fort St. George Revenue Consultations, July (No. 732 A.) 1848.

From *H. C. Montgomery*, Secretary to Government, Fort St. George, to *G. A. Bushby*, Esq., Secretary to the Government of India.

No. 26.

Sir,

WITH reference to my letter in this department, dated 9th February 1847, No. 186, I am directed by the Right honourable the Governor in Council to request you will submit for the information of the Government of India the accompanying copy of one from the Board of Revenue in the Department of Public Works, with the two original communications received with them from the civil engineer of the first division, reporting on the progress of the Godavery Annicut, and the further expenditure required on account of that work.

From Board of Revenue, dated 15 June 1848, No. 436.

2. An extract from the Minutes of Consultation, dated 8th July, also accompanies; and the Governor in Council trusts that the proceedings of this Government in respect of the Godavery Annicut, as therein detailed, will, under the exigencies of the case, meet with the approval of the Right honourable the Governor-general of India in Council.

3. I am desired to add, that a communication on the subject has also been made to the Honourable the Court of Directors.

(signed) *H. C. Montgomery*,
Secretary to Government.

Fort St. George, 8 July 1848.

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EXTRACT Fort St. George Revenue Consultations, July (No. 732) 1848.

No. 25.

Para. 1. The Right honourable the Governor in Council regrets exceedingly to learn from the foregoing report from the Board of Revenue, that the large sum sanctioned for the construction of the Godavery Annicut has already been expended, and that a further demand of 1,39,100 rupees is now made upon the treasury. By the report of Major Cotton, which the Governor in Council observes is far from satisfactory, as an explanation of the causes of the expenditure so greatly exceeding the estimates, it would appear that the works are even less than half finished, and by no means proportionate to the expenditure; and he regrets particularly to notice, that they are not even placed in a condition of security against the effects of the heavy freshes of the season; indeed, since the date of the Board's report, intimation has been received of a breach in the Madoor branch of the work.

15 June. From Board of Revenue, 3 July 1848, No. 466.

2. The Governor in Council fully agrees with the Board in the opinion expressed in the 12th para. of their secretary's letter, that the civil engineer has not sufficient data in the present state of the works for estimating the ultimate expenditure, and he is inclined to the belief that a larger sum even than that he has now estimated will be required to bring the works to completion. He desires the Board will obtain from the civil engineer, as soon as the state of the river will admit, a detailed and accurate account of the work yet to be performed, inclusive of the repair of the damages sustained by the freshes, with an estimate of the probable cost, which they will subject to the closest scrutiny in their office, and submit for the orders of Government as soon after as practicable.

3. The Right honourable the Governor in Council has ascertained that the full operations of the annicut cannot be resumed till the end of November, thus admitting of the receipts of the instructions of the Honourable Court of Directors, without hindrance to the work, and he resolves, by the earliest opportunity, to submit the correspondence which has passed since the last despatch of this Government, under date 26th April 1848, for the information and orders of the Honourable Court. In the meantime some outlay is, it appears, indispensable for the preservation of the works, and for carrying on such as are absolutely required; and for these purposes he resolves to incur the responsibility of sanctioning the sum of 20,000 rupees, as recommended by the Board. The Governor in Council, however, directs that the Board will see that no further work is undertaken that is not absolutely required, and that the establishment and workmen are reduced as far as possible pending the receipt of the Honourable Court's instructions.

4. The Governor in Council fully concurs in the soundness of the opinion given by the Board, in the 15th para. of their secretary's letter. It is much to be regretted that Major Cotton's zeal and great anxiety to bring the expected advantages of the annicut into early operations, should in the last few months have tempted him to incur the extravagant expenditure of the public money

now

now reported, and for which the Government are unable to admit a valid excuse in the difficulties he had to contend against, or the novelty of the arrangements, and the magnitude of the work, the extenuating circumstances which the Board advance in his behalf. Godavery Annicut.

5. The Government desire to be periodically informed of the state of the works during the freshes, and depend on the Board giving their constant and earnest attention to this subject.

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(No. 615.)

From *G. A. Bushby*, Esq., Secretary to the Government of India, to Sir *H. C. Montgomery*, Bart., Secretary to Government, Fort St. George.

Sir,

I AM directed to acknowledge the receipt of your letter, No. 732 A., dated the 8th ultimo, with enclosures, relative to the progress of the Godavery Annicut, and the further expenditure required for its completion, and, in reply, to state, that the Governor-general in Council, pending a reply from the Honourable Court to the reference made by the Government of Fort St. George, confirms the authority granted by the Right honourable the Governor in Council for the disbursement of a sum not exceeding 20,000 rupees for the prosecution of such works as are absolutely necessary for the preservation of what has already been done.

(signed) *G. A. Bushby*,
Secretary to the Government of India.

Fort William, 5 August 1848.

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Revenue Department, 20 September (No. 15) 1848.

Our Governor in Council at Fort St. George.

Para. 1. THE letters of the dates referred to in the margin* report the progress which has been made in the construction of the Godavery Annicut.

* *See* below.

2. We have perused with equal surprise and disappointment your letter of the 8th July last (No. 47), in which you inform us that the whole of the amount sanctioned (4,75,752 rupees) has been already expended, and that a supplementary estimate of 1,39,100 rupees has been sent in by Major Cotton; that the works appear to be less than half finished, and not even placed in a condition of security against the effects of the heavy freshes of the season; and that you are inclined to believe that a larger sum than that now estimated will be required to bring them to completion.

3. Under these circumstances, and considering that the full operations of the work cannot be resumed until the end of November, you have resolved to await our instructions, having in the meantime sanctioned an expenditure of 20,000 rupees, which is stated to be indispensable not only for the preservation of the works, but for carrying on such as are absolutely required.

4. We fully agree in the opinion expressed by you, that the explanation given of the causes of the expenditure so greatly exceeding the estimate is far from satisfactory. We cannot but think that the over-anxiety of Major Cotton to complete the work in the shortest possible time has led him to disregard considerations of economy, and even of security to the work itself; and we concur in the remark of the Board of Revenue, that "regular and safe measures are greatly to be preferred to much haste in the construction of public works, whatever may be the contingent advantages of the latter; even in the case of the Godavery Annicut, in which those advantages were so highly estimated, they were nothing, in the judgment of the Board, to that of substituting comparative certainty in the execution of the works to considerable risk."

5. In the present state of the works, it is obvious that the large expenditure already incurred will be altogether lost, unless the further amount required to complete them is authorized. We have, therefore, no alternative but to give our sanction to their being proceeded with, in full reliance on the pledge given in your letter,

* Letter dated 14 January (No. 12) 1848, p. 2 & 3; 26 April (No. 32) 1848; 8 July (No. 47) 1848.

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letter, that you will not "give effect to the sanction until you are fully satisfied that your doing so will secure the desired end beyond the chance of failure, of which the condition of the annicut after the rains will afford you ample opportunity to judge."

6. We think it very desirable that, in addition to the scrutiny to which the Board of Revenue have been directed to subject the estimates when sent in by Major Cotton, the work itself should be inspected by one or more experienced engineer officers, who might report to you on its actual condition, and on the plans proposed by Major Cotton to be pursued for completing it, before authorizing any further large disbursement on account of it.

We are, &c.
(signed) *J. L. Lushington,*
*A. Galloway,* &c. &c.

London, 20 September 1848.

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Fort St. George, Revenue Department, 12 September (No. 66) 1848.

To the Honourable the Court of Directors of the East India Company.

Honourable Sirs,

Para. 1. In continuation of our letter, dated 8th July 1848, No. 47, we have the honour to submit, for the information of your Honourable Court, copies of further communications from the Board of Revenue in the Department of Public Works, on the subject of the works of the Godavery Annicut, in the Rajahmundry district, and of our proceedings thereon.

Dated 10 and 24 August 1848, Nos. 600 and 631. Government of India, 29 August 1848, No. 941.

2. From these papers it will be seen that a further sum is considered necessary to carry on the works; but as we had already incurred the responsibility of sanctioning an advance on that account of the large amount of 20,000 rupees, a measure that has since met the approval of the Government of India, we were unwilling, notwithstanding the emergency of the case, to permit another advance without the previous concurrence of that Government.

From Government of India, 5 August 1848, No. 615.

3. We accordingly addressed the Government of India on the subject, and observed to them, that unless this great undertaking were abandoned under your Honourable Court's orders, a course which we could not contemplate as probable, we were decidedly of opinion it was advisable, and would be in the end economical, to incur the expenditure applied for of 7,000 rupees monthly, from the 1st October, until the orders of your Honourable Court were received, which we remarked might be looked for by the mail to arrive about the 1st December. We observed that several important objects would be gained, time would be saved, the returns from the influence of the annicut expedited, and the security of the work already performed would be better provided for. The cost of bringing stone for the construction of the dam would be much less by taking advantage of the favourable season, than by postponing that process to a period when water-carriage would be no longer fully available for the transport of this material, and a body of skilled and experienced workmen would be kept together ready for the further operations, who if once dispersed could not be again collected without great difficulty and loss of time.

4. We also pointed out, that, by Major Cotton's calculations, the 20,000 rupees sanctioned by us was intended to provide for the expenditure up to the end of August; whereas, from the reductions effected, there remained on the 15th August a balance sufficient to carry on the works on the present scale throughout all September; that unless a further expenditure were allowed, the work must be completely stopped at the end of this period, probably in some degree endangering it, and that, after a full and careful consideration of these circumstances, we were induced strongly to recommend that authority might be granted to carry on the works on the proposed scale, at a monthly charge of 7,000 rupees, until your Honourable Court's orders were received.

5. As observed to the Government of India, we doubt not that the outlay, judiciously made, as we have reason to hope it will be, will tend considerably to diminish the sum which would otherwise be required to complete the annicut.

We have, &c,
(signed) *H. Pottinger.*
*G. F. Berkeley.*
*D. Eliott.*

Fort St. George,
12 September 1848.

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Godavery Annicut.

Revenue Department, No. 941.

From Sir *H. C. Montgomery*, Bart., Secretary to the Government of Madras, to *G. A. Bushby*, Esq., Secretary to the Government of India.

Sir,

Para. 1. I HAVE the honour to forward, for the consideration of the Government of India, two communications received from the Board of Revenue, submitting further reports from the officer in charge of the Godavery Annicut. Dated 10 and 24 August 1848, Nos 600 and 631.

2. From these it will be seen, that a further sum is considered necessary to carry on the works, but as the Right honourable the Governor in Council has already on the 8th July last incurred the responsibility of sanctioning an advance on that account, of the large amount of 20,000 rupees, a measure that has since met the approval of the Supreme Government, he is unwilling, notwithstanding the emergency of the case, to permit another advance for the same object, without the previous concurrence of the Governor-general in Council. From Government of India, 5 August 1848, No. 615.

3. Unless this great undertaking is abandoned under the orders of the Honourable Court of Directors, a course which the Right honourable the Governor in Council cannot contemplate as probable, he is decidedly of opinion that it is advisable and will be in the end economical to incur the expenditure now applied for of 7,000 rupees monthly, from the 1st October next till the orders of the Honourable Court are received, and which may be looked for by the mail to arrive about the 1st December. Several important objects will be gained, time will be saved, the returns from the influence of the annicut expedited, and the security of the work already performed will be better provided for. The cost of bringing stone for the construction of the dam will be much less by taking advantage of the favourable season, than by postponing that process to a period when water carriage will be no longer fully available for the transport of this material, and a body of skilled and experienced workmen will be kept together, ready for the further operations, who if once dispersed could not be again collected without great difficulty and loss of time.

4. The Governor in Council would point out that, by Major Cotton's calculations, the 20,000 rupees sanctioned on the 8th July, was intended to provide for the expenditure up to the end of August, whereas, from the reductions effected by Captain Orr, there remained on the 15th of August a balance sufficient to carry on the works on the present scale throughout all September. Unless, therefore, a further expenditure is allowed, the work must be completely stopped at the end of this period, probably in some degree endangering it; and under a full and careful consideration of these circumstances, the Right honourable the Governor in Council is induced strongly to recommend that the application of the acting civil engineer be complied with, and that this Government receive authority to carry on the works on the proposed scale, at a monthly charge of 7,000 rupees, till the orders of the Honourable Court be received. The Governor in Council cannot doubt that this outlay, judiciously made, as he has reason to hope it will be by the acting civil engineer, will tend considerably to diminish the sum which will otherwise be required to complete the annicut.

5. The Governor in Council regrets the necessity that has arisen for these unexpected demands on the Supreme Government, and directs me, in conclusion, to solicit the earliest possible reply to the present application.

(signed) *H. C. Montgomery*,
Secretary to Government.

Fort St. George, 29 August 1848.

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EXTRACT Revenue Letter, from Fort St. George, dated 20 November (No. 83) 1848.

14. IN continuation of the proceedings reported in our letter of the 12th September last (No. 66), we transmit copy of a further correspondence on the subject of the works of the Godavery Annicut.* It will be seen that the Government

* Cons. 19 September 1848, Nos. 36, 37; Cons. 3 October 1848, Nos. 40, 41; Cons. 10 October 1848, Nos. 28 to 33; Cons. 24 October 1848, Nos. 40, 41; Diary, 31 October 1848, Nos. 1 and 2

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ment of India have, upon our representation, sanctioned an expenditure of 7,000 rupees per mensem from the 1st October for the prosecution of the works, until the orders of your Honourable Court are received. By the reports of the acting civil engineer now forwarded, your Honourable Court will learn that the works have sustained but little damage from the effects of the first freshes.

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EXTRACT Fort St. George Revenue Consultation, 3 October 1848.

READ the following letter:

No. 719.—From *G. A. Bushby*, Esq., Secretary to the Government of India, to Sir *H. C. Montgomery*, Bart., Secretary to the Government, Fort St. George.

Sir,

No. 40. I AM directed to acknowledge the receipt of your letter (No. 941), dated the 29th ultimo, with its enclosures, and to state that, pending a reply from the Honourable Court to the reference made by the Government of Fort St. George, the Governor-general in Council sanctions an expenditure of 7,000 rupees per mensem from the 1st proximo, for the prosecution of the annicut on the Godavery. I am, however, desired to observe, that his Lordship in Council sanctions these anticipatory expenditures with great reluctance.

2. The original enclosures of your letter are returned.

(signed) *G. A. Bushby*,
Secretary to the Government of India.

Fort William,
16 September 1848.

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EXTRACT Revenue Letter to Fort St. George, dated 22 August (No. 9) 1849.

Letter from, dated 20 November (No. 83) 1848. (7 to 11). Estimates amounting to Rs. 60,311. 11. for improvements to works of irrigation in Tanjore, sanctioned.

38. ALTHOUGH the cost of these works is considerable, we observe that you entertain a confident expectation that it will soon be repaid by the increased revenue that will arise from their operation.

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Revenue Department, 13 February (No. 6, of 1849).

To the Honourable the Court of Directors of the East India Company.

Honourable Sirs,

Para. 1. WE have the honour to acknowledge the receipt of your Honourable Court's despatch in this department, dated 20th September 1848 (No. 15), in reply to our communications reporting on the expenditure on the Godavery Annicut, the progress of the work, and the sum yet required to complete it.

Cons. 14 Nov. 1848, No. 63.

2. We furnished a copy of this despatch for the information and guidance of the Board of Revenue in the Department of Public Works, with instructions to proceed, under the sanction granted by your Honourable Court, with the preparation of materials necessary for the completion of the annicut works.

3. In compliance, also, with your instructions, we nominated Captain Buckle and Brevet Captains Bell and Orr, together with Mr. Forbes, sub-collector of Rajahmundry, members of a committee to report upon the Godavery Annicut. The committee were desired to assemble at the site of the annicut, and after a survey of its actual condition, and scrutiny of the plans proposed by Major Cotton to be pursued for completing it, to furnish a full report on all points. They were also

Cons. 5 December 1848, Nos. 54, 55.

required carefully to examine the estimates which were prepared for the completion of the works, as well as the accounts of the expenditure hitherto incurred, and to report their opinion thereon, with reference especially to the cost and charges for machinery and preparatory arrangements for carrying on the works.

Dated 13 January 1849; Extract *Min. Cons. 13 Feb.* 1849; sketch plan of the works.

4. We have now the honour to submit the report which the committee have furnished us, and to solicit the careful and especial attention of your Honourable Court to the details it contains, as well as to the plan of the works accompanying. By this report your Honourable Court will learn that the expenditure on the works

works of the Godavery Annicut amounted to the end of November 1848 to 5,03,703 rupees, and that a further sum of 4,07,506 rupees is estimated by the committee as required to bring it to completion. P. 14 and 62.

5. We will not attempt to follow the committee through the various details of their report, but only observe in the expenditure, the item for what is designated the "plant" amounts to the large sum of 1,96,298 rupees, and that for superintendence to no less a sum than 31,625 rupees. In regard to the last, the committee say, "As far as the committee are able to judge, there seems to have been an excessive expenditure for superintendence, but this was owing in measure to the inefficiency of the available persons, to the extensive and divided character of the works, and to the anxiety of the civil engineer that no available delays should occur." P. 64. P. 47.

6. In noticing the chief items of which the former is composed, they say, "it seems, therefore, to the committee, quite clear that the expenditure upon steam tugs, like that upon railways, was a matter of necessity with reference simply to the description and magnitude of the work, in which, as before said, the saving of time is a most important element of stability of construction." P. 30.

7. In para. 32, noticing another item of charge, the committee thus express themselves. "The only remaining item under this head is 9,301 rupees for two steam engines constructed here, one intended for a boat, the other for turning a saw; they have not been applied however to any useful purpose; and the committee are of opinion that it was injudicious to attempt works of this description, with the limited means at command in the workshop."

8. We are constrained to remark, that making full allowance for the difficulties Major Cotton had to contend against, and the magnitude of the work he had undertaken, he cannot stand excused for profuse and uneconomical expenditure of the public money.

9. It will, however, we hope, be satisfactory to your Honourable Court, as it has been to us, to observe the deliberate opinion of the committee on the section of the annicut which Major Cotton has adopted, and on the subordinate works appertaining to it, as recorded in the following passages, which we quote entire:

"With regard to the most important point, the section of the annicut, the committee after a minute consideration of the subject, are satisfied that the work may be carried forward with safety and success upon the section hitherto followed, with some improvements recommended by Captain Orr." P. 52.

"The section is novel, and considering its adaptation to the description of available material, and to the necessity of rapid construction, appears to the committee highly creditable alike to the theoretic and practical knowledge of Major Cotton. Its stability, they conceive, has been remarkably demonstrated by the events of the last season; all the work that was not actually raw, having, though much of it was hastily constructed, suffered but little damage, even under extraordinary trials; the excellence of the mortar made from the hydraulic lime of the neighbourhood is an important element of the stability of the work, and the experience already obtained in the management of this lime, will render it more valuable for the future." P. 53.

"The only change in the section which the committee recommend, is a narrow wall (as originally intended by Major Cotton) in lieu of the daw stones and boards afterwards suggested; the latter are open to several objections, and the committee are of opinion that the increased breadth of the loose stone apron will neutralize any extra force of over-fall caused by the proposed wall." P. 54.

"The subordinate works do not require particular remark; they are all planned in the opinion of the committee on sound principles, and will be fully effective; the committee, however, have no doubt that a considerable annual expenditure, particularly in rough stone for aprons, and the defence of particular points of the banks, will be required for some time; the readiness with which this indispensable material may be supplied, is a great advantage of the present arrangements." P. 55.

10. In the present state of the annicut it has appeared to us after mature deliberation that we have no alternative but to authorize the work to proceed, and we trust that in so doing we are only carrying out the views and instructions of your Honourable Court as given in the 5th para. of your letter, under acknowledgement, wherein you observe "In the present state of the works, it is obvious that the large expenditure already incurred will be altogether lost, unless the further amount required to complete them is authorized; we have therefore no alternative but to give our sanction to their being proceeded with, in full reliance on the

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pledge given in your letter, that you will not give effect to the sanction until you are fully satisfied that your doing so will secure the desired end, and beyond the chance of failure, of which the condition of the annicut after the rains will afford you ample opportunity to judge," and we are fortified in this our resolution by the sentiments expressed by the committee in the 69th and 70th paras., which for easy reference we enter in the margin ;* we have accordingly sanctioned the revised estimates of the committee, amounting to Rs. 4,07,505. 8.

* *See* below.

11. Your Honourable Court will also observe, that the committee are of opinion, that the rates for masonry and cut stone are "singularly low, and that were each of them increased 50 per cent., the annicut might even then be pronounced one of the cheapest works ever constructed, if its immense length, and its situation, with the endless difficulties arising therefrom, were duly considered."

12. We propose applying to the Supreme Government for sanction for opening the Rallee and other irrigating channels required to give effect to the Godavery Annicut, but your Honourable Court will perceive, by our Consultation of this date, that we are alive to the dangers of undertaking more work at a time than can be carefully superintended and satisfactorily executed, and that we deprecate the haste which has already, in this work, been the great cause of the embarrassments which have occurred, and have warned both the Board of Revenue and the executive officers against allowing its recurrence.

13. Considering the magnitude of the work and the responsibility attached to the engineer officer superintending it, we have resolved to accede to the recommendation of the Board of Revenue, and to sanction, as an additional charge, the disbursement to Captain C. A. Orr, of the full allowances of a civil engineer, but subject to the approval of your Honourable Court. We are well satisfied with this officer's performance of the arduous duties entrusted to him, since the departure of Major Cotton on sick leave.

We have, &c.
(signed) *Henry Pottinger.*
*G. H. F. Berkeley.*
*D. Eliott.*

Fort St. George, 13 February 1849.

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## Revenue Department, No. 146.

From Sir *H. C. Montgomery*, Bart., Secretary to the Government of Fort St. George, to *F. J. Halliday*, Esq., Secretary to the Government of India.

Sir,

To Government of India, dated 8 Jan. 1848, No. 732.
From Government of India, dated 5 Aug. 1848, No. 615.
To Government of India, dated 29 Aug. 1848, No. 941.
From Government of India, dated 16 Sept. 1848, No. 719.

With reference to the correspondence that has already taken place on the subject of the works of the Godavery Annicut in the Rajahmundry district, I am directed by the Right honourable the Governor in Council to transmit, for submission to the Government of India, copy of a despatch from the Honourable Court of Directors, and of the further papers noted in the margin,† containing the proceedings of this Government with respect to that project.

† *See* below.

2. It will be observed that, pursuant to the Honourable Court's instructions, a committee,

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* 69. Had the actual arrangement for the execution of the work not been made, it is impossible to calculate what would have been the cost. That it might have been less in positive outlay may be allowed, but always with a proviso for a very large increase of contingent expenditure, proportionate to the length of time requisite under a different system. And it cannot be doubted that the length of time would have been very great indeed, the district being totally without experience in public works, and all the native functionaries averse to any exertion in such a novel line of duty.

70. It is scarcely necessary to add, that time itself, in the construction of the annicut, is money. If the work is to increase the revenue, the sooner the increase begins the better. If the increase has been in any measure rightly estimated, it will speedily pay a much larger interest upon the extra expenditure than the rate at which the company borrow money, and a single year of drought, which may happen at any time, would compel all to acknowledge the annicut to be of incalculable value.

† From Honourable Court of Directors, dated 20 September 1848 ; Extract Minutes of Cons. dated 14 November 1848, No. 245 ; From Board of Revenue, dated 23 November 1848, with Capt. Orr's Report, dated 16 September 1848 ; Extract Minutes of Cons. dated 5 December 1848, No. 1,340 ; From the Committee of the Godavery Annicut, dated 13 January 1849 ; Extract Minutes of Cons., dated 13 February 1849, No. 145 ; one sketch plan of the works ; Letter to the Honourable Court of Directors, dated 13 February 1849, No. 6 ; *Note.*—Estimates and Statements not forwarded.

committee, chiefly of enigineer officers, was appointed to assemble at the site of the annicut, and to furnish a full report upon the work in all its branches, and that upon the information furnished by the committee in their report, to which the attention of the Government of India is solicited, as well as to the orders passed thereon, authority has been granted by this Government under the conditional permission of the Honourable Court given in the 5th para. of the despatch of the 20th September 1848, No. 15, for the continuance of the works in the estimates framed by them, amounting to Rs. 4,07,505. 8; and this proceeding has now been reported to the Honourable Court. The Government of India will perceive that this large expenditure will not be incurred in one year, but will extend over the working season of 1849 and 1850. Godavery Annicut.

3. With reference to the concluding para. of the committee's report, I am desired to intimate that the Board of Revenue have been requested to submit in a clear and concise form, the estimates for opening the Rullee and other irrigating channels required, to extend to all parts of the district the benefit of the annicut, and that when these are received, a separate communication will be made to the Government of India.

I have, &c.
(signed) *H. C. Montgomery,*
Secretary to Government.

Fort St. George,
13 February 1849.

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Home Department, No. 150.

From *F. J. Halliday,* Esq., Secretary to the Government of India, to Sir *H. C. Montgomery,* Bart., Secretary to the Government of Fort St. George.

Sir,

I AM directed to acknowledge the receipt of your letter, No. 146, dated the 13th ultimo, on the subject of the Godavery Annicut, and to state, in reply, that the President in Council does not understand the conditional sanction given by the Honourable the Court of Directors in their despatch to the Government of Madras, of 20th September 1848, to be sufficient to justify so large an additional expense as 4,07,506 rupees being incurred for the completion of the work, without a further reference to them. In the despatch cited, the Honourable Court expressed themselves dissatisfied that a supplementary estimate of 1,39,100 rupees should be necessary, in addition to the original estimated cost of 4,75,752 rupees, and taking into consideration that the present estimate is far in excess of the amount to which the Honourable Court then objected, it appears to the President in Council that the most expedient course under the circumstances would have been to seek and await the orders of the Honourable Court before entering on so large an additional expenditure.

I have, &c.
(signed) *F. J. Halliday,*
Secretary to Government of India.

Fort William,
3 March 1849.

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Revenue Department, 18 July (No. 6) 1849.

Our Governor in Council at Fort St. George.

Para. 1. WE now reply to your letters of the dates noted in the margin,* on the subject of the operations in progress, for constructing an annicut across the Godavery River. * *See* below.

2. We have also received from the Government of India the communications referred to in the margin† on the same subject. † *See* below.

3. In obedience to the orders contained in the concluding paragraph of our despatch of the 20th September (No. 15) 1848, you appointed Captain Buckle, Brevet

* Godavery Annicut.—Letter dated 14 January (No. 12) 1848, p. 16 to 18; Letter dated 12 September (No. 66) 1848; Letter dated 20 November (No. 83) 1848, p. 5 and 14; Letter dated 13 February (No. 6) 1849.

† Public Letter, dated 10 December (No. 51) 1847, p. 16 to 18; ditto, ditto; 3 March (No. 7) 1849.

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Brevet Captains Bell and Orr, and Mr. Forbes, sub-collector of Rajahmundry, a committee to examine and report on the actual condition of the Godavery works, and the plans proposed by Major Cotton to be pursued for completing them.

4. The report of the committee, who appear to have performed this duty in a most satisfactory manner, was forwarded to you on the 13th January last.

5. We gather from this report that the main causes of the large excess of the expenditure over the estimate, were firstly the disproportionate amount of outlay on what is termed the "plant," consisting of the machinery, steam tugs, rail-roads, &c., provided for the preparation and transportation to the works of the materials required for the construction of the annicut; and secondly, the great inadequacy of the original estimate in regard both to the rates and the quantity of the materials themselves. With respect to the rates as deduced from actual expenditure, the committee observe, "If the total supposed cost of the masonry and loose stone, 4,26,868 rupees, be added to its appropriate plant, 2,00,000 rupees, and the total, 6,26,868 rupees, be divided by the number of 3,28,825 cubic yards, the rate per cubic yard for masonry and loose stone together, will be Rs. 1. 14. 6. per cubic yard, including a large proportion of cut stone. The committee are of opinion that the above-mentioned rates are singularly low; and that were each of them increased 50 per cent., the annicut might even then be pronounced one of the cheapest works ever constructed, if its immense length and its situation, with the endless difficulties arising therefrom, were duly considered."

6. Considering the opinion of the committee that the rates at which the work has been actually performed, although greatly in excess of those estimated, are singularly low, we cannot acquit Major Cotton of blame in having submitted an estimate for your sanction in which the rates were assumed at an amount at which it is clearly impossible that the work could have been performed, and we are surprised that such an error should have escaped the notice of the chief engineer and secretary to the Board of Revenue in the Department of Public Works, whose peculiar duty it is to satisfy themselves, not only that the works which they recommend to Government are properly designed, but that the expenditure is estimated with as near an approach to accuracy as may be possible. The want of care exhibited in this instance must greatly tend to diminish our confidence in the correctness of future estimates.

7. In respect to the plans of the works, the committee report, that "with regard to the most important point, the section of the annicut, after a most minute consideration of the subject, they are satisfied that the work may be carried forward with safety and success upon the section hitherto followed, with some improvements recommended by Captain Orr," and they conclude their report by observing, that "reviewing their inspections and investigations, they are constrained to record their very high opinion of the science, practical ability and indefatigable labours of Major Cotton, displayed in the great work under report. It is scarcely possible to place that officer's qualifications as an engineer of hydraulic works higher than they stood before; but the Godavery Annicut is a new and splendid illustration of the powers of mind and self-devotion, from the exercise of which the country has already so largely benefited."

8. The total amount expended on the annicut up to the end of November 1848, was 5,03,703 rupees, and according to the committee's estimate, a further sum of 4,07,506 rupees will be required to complete the work, making an aggregate expenditure of 9,11,209 rupees, or 4,35,639 rupees in excess of the sum originally sanctioned for that purpose.

9. Under these circumstances, and in pursuance of the instructions contained in the 5th para. of our despatch of the 20th September (No. 15) 1848, you have resolved to authorize the work being proceeded with; you state that you are still sanguine that the advantages to be gained by the Godavery Annicut have not been overrated, and you refer to the opinion expressed by the committee, already quoted, that even at its greatly augmented cost, the annicut will still be a cheaply constructed work.

10. However much we regret the imperfect nature of the information which was submitted to us when our sanction to the undertaking was originally solicited, it is obvious that the whole of the large expenditure already incurred must be entirely lost, unless the works are carried to completion; and the sooner the country begins to derive the expected benefit from the work, the earlier will you receive some compensation for the outlay in the shape of an increased revenue.

We

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We observe, that the committee state, that "the annicut will, it is expected, be effective for a large supply of water this season, and will next year be, in all probability, at its full height."

11. We accordingly approve and sanction the course of proceeding which you have adoppted; but we would, at the same time, call your attention to the absolute necessity of requiring from the Board of Revenue in the Department of Public Works a strict adherence to the instructions communicated to them in para. 10 of your Minutes of Consultation, of the 13th February 1849, with the view of ensuring, as far as possible, a successful issue to the undertaking.

12. We also approve of your having granted to Captain Orr, for the period during which he may be engaged in superintending the construction of the annicut, the full allowances of a civil engineer.

We are, &c.
(signed) *A. Galloway,*
*J. Shepherd,*
&c. &c.

London, 18 July 1849.

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Revenue Department, 23 January (No. 6) 1850.

To the Honourable the Court of Directors of the East India Company.

Honourable Sirs,

Para. 1. We have the honour to submit, for the information and orders of your Honourable Court, copies of communications from the Board of Revenue in the Department of Public Works, and of the correspondence which accompanied them, on the subject of the damage sustained by the Dowlaiswaram branch of the Godavery Annicut in the Rajahmundry district, during the freshes of the late season, together with copies of minutes recorded by our President and the Honourable Mr. Eliott, and of an extract from the Minutes of Consultation, containing the orders issued by Government.

2. Soliciting your attention to the views expressed by the members of Government in respect of the cause of the damages, and of the best means of remedying them, we request your special sanction for the further sum of Rs. 25,709. 8. required for the security of the work, merely intimating in this place, that under the emergency of the occasion, we have ordered the work to be proceeded with from the sum of 50,000 rupees allowed in the last sanctioned estimate for contingencies, the greatest portion of which, it will be observed, is reported to remain untouched.

We have, &c.
(signed) *Henry Pottinger.*
*G. H. F. Berkeley.*
*D. Eliott.*

Fort St. George, 23 January 1850.

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Minute by the Right Honourable the President.

No. 31.

I have read these letters with deep regret, and it is very repugnant to my feelings to say that they tend to strengthen in my mind an apprehension which I have latterly felt, and which I have heard expressed by others more competent than myself to form an opinion, that the annicut will, after all, prove a failure.

I am quite ready to admit that the past season has been one of an extraordinary nature, as regards the unusually heavy falls of rain to the westward, and the concomitant high freshes in all the rivers that have their sources in that quarter; but these papers by no means satisfy me that the damage which has been done to the annicut would not have occurred had the freshes been of the ordinary description, because I look on it that the impeded rapidity of the current will always inevitably create strong lateral currents and eddies, which will force a passage either through the works, or by removing the alluvial soil of the lunkas (islands), or sweeping around the extreme ends of the wing walls, and in one or other of these ways will form new channels for the escape of the water, so as to render the annicut of no avail.

I express these sentiments with much deference, in opposition to those of the scientific officers who have examined and reported on the annicut, but I have witnessed such wonderful alterations, from less impediments than those offered by the annicut, in the Indus River (which is not so large as the Godavery during the height of its inundations), that in a soil such as the delta of the Godavery appears to be, I cannot place confidence in any of the explanations for the past or plans for the future.

I trust I shall be mistaken; but with the impressions which have been forced on me by narrowly

Godavery Annicut.

narrowly looking into the whole of the proceedings of this Government in connexion with the annicut, I deem it right to candidly state my fears.

I do not think the Madras Government can authorize the increase to the estimate applied for without the approval of the Honourable Court, which must be applied for. In the meantime, I do not myself see that the addition now proposed need be delayed; it can be carried on from the funds already sanctioned, and to that extent only can I be a party, and which is recommended by the Board of Revenue, Department of Public Works.

30 December 1849. (signed) *Henry Pottinger.*

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No. 32.

MINUTE by the Honourable Mr. *Eliott.*

Monthly Report, dated 8 November.

ON the 19th November, the Board of Revenue in the Department of Public Works laid before Government a report of the civil engineer in charge of the Godavery Annicut, upon the state of that work when the fall of the river had discovered the effects of the extraordinary floods of the late season. It then appeared, that while in other parts this great work had successfully withstood the enormous pressure upon it, the Dowlaiswarum branch had been seriously injured, the masonry having "sunk and broken in three places, each only a few yards wide, and all within 150 yards of the western or Pulchacun Lunka wing walls." The further extension of these breaches was immediately stopped by throwing in loose stone, and the work will be effectually repaired by rebuilding the injured masonry for about 100 yards in length, which, the civil engineer says, with the means at his disposal, will be but a few days' labour.

Civil Engineer's Report.

The cause of this accident was readily discovered in the removal of the sand to a depth of 25 feet in front of the annicut, in consequence of the excessive lateral set of the stream, occasioned by the extreme projection of the wing walls from the bank of the Putchuka Lunka. Means had been used to counteract this lateral current, but, owing to the great height and long continuance of the freshes, without the desired effect. The annicut being nearly perpendicular to the course of the river, the effect of the stream, it is stated, is everywhere, but near the Putcheeka Lunka wing walls, to deposit sand in front to the level of the crown of the work, and so to prevent all danger of a similar accident occurring elsewhere. The civil engineer was of opinion that the work might be rendered safe against the recurrence of such an accident, by removing the wing walls and the embankment connecting them with the lunka, and carrying the annicut right up to the bank of the lunka. He only forbore from pressing this remedy on account of the expense; the alternative he proposed was to make several great groins of stone, and to line with stone the whole of the front of the work for some distance to a breadth of 20 yards.

The civil engineer having been called upon by the Board of Revenue to furnish a plan of that part of the annicut at which the damage had occurred, and an estimate of the work considered to be absolutely necessary, in complying with this requisition, he has submitted further explanations in illustration of the way in which the damage occurred, and of the effect of the groins recommended by the committee, so far as it had been possible to form them before the freshes came down, and has stated his reasons for preferring the extension of the annicut to the other project of covering the work where it is exposed by additional groins, although the cost of the former will be 25,709 rupees, while that of the latter will be only 10,000 rupees.

It appears that the groins actually formedw ere effectual in a good measure, the wing walls having been saved by those placed for their protection, and the foundations of the annicut having been undermined only in the spaces between the groins formed in front of it. It would seem, therefore, that the deposit of a mass of stone filling up the spaces between the existing groins would be an adequate defence. But the cause of danger on the set of the stream, from the projection of the wing walls into the bed of the river, would remain, and can only be effectually removed by taking them away, and extending the annicut to the natural bank, which measure, considering the importance of securing the safety of this great work, the civil engineer therefore strongly advises, and the Board of Revenue in the Department of Public Works, assisted by the professional opinions of their colleague, the chief engineer, and their engineer secretary, who was a member of the committee upon the annicut, agree with him in recommending it as a means to place the work as much as possible beyond the reach of further risk.

In such a work as this, it is of the first importance to make it as secure as possible. It would be very imprudent, I think, to adopt a palliation when a complete remedy presents itself which can be effected at a cost little more than double. In considering the expense, we must bear in mind what has been sunk in the work, and the expected return, which it would surely be a false economy to put in jeopardy by a half measure to save some 15,000 rupees. I am clear, therefore, for extending the annicut to the lunka. It would be advisable to make a reference to the Honourable Court for their orders on the subject if there were time, but, of course, the work must be done before the first rise of the river (and the earlier the better, in order that the masonry may be dry and consolidated before it is put to the test of a fresh), which would be impossible if it were not commenced before the orders of the Court could be received. The last sanctioned estimate leaves 50,000 rupees unappropriated to meet contingencies. Of this little has yet been called for, and I think that the amount of the present estimate may properly be defrayed out of the balance in anticipation of the Court's order; a report should however be made to the Honourable Court without delay, with a request for their special sanction to the allowance of this particular estimate, as a supplemental

a supplemental one, still leaving 50,000 rupees available for contingencies under the general estimate of the committee. Godavery Annicut.

In conclusion, I would observe that the experience we have had during the late season of the general stability of the annicut, unfinished as every part of the work is, under a pressure unprecedented, and therefore not calculated upon, affords, in my opinion, better grounds for anticipating a successful issue to the undertaking than we have ever yet had, and that nothing has transpired, to my knowledge, to make me less sanguine than I have hitherto been of the work being completed in a manner to reflect credit upon the officers who designed it, and have had the charge of its execution, and of its proving effective for the objects contemplated.

3 January 1850. (signed) *D. Eliott.*

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EXTRACT Revenue General Letter from Madras, dated 6 June (No. 30.)1850.

Para. 8. YOUR Honourable Court will have already learnt from the reference made by the Government of India, that estimates to the amount of Rs. 87,120. 14. 5. have been sanctioned by that Government in anticipation of your orders for opening the Rallee and Dowlaiswarum Channels from the Godavery Annicut, being only a small portion of the subordinate works which are considered indispensably necessary to give full effect to the whole project. We now transmit, for the information of your Honourable Court, copies of the periodical reports on the progress of the works received to the present date; and request your attention to those recorded in the Consultation of the 23d April and 14th May, from which it will be observed, that a breach which occurred in the Rallee temporary dam has since been closed, and that the acting civil engineer entertains no doubt of being able to complete, before the arrival of the freshes, the masonry of that branch of the annicut, as well as all the work marked out for this season.

Diary, 16 October 1849, Nos. 14 to 18; Diary, 18 December 1849, Nos. 3, 4; Cons., 15 January 1850, Nos. 9, 10, 15, 16; Cons., 29 January 1850, Nos. 54, 55; Cons., 12 February 1850, Nos. 53, 54; Cons., 26 February 1850, Nos. 31, 32; Cons., 12 March 1850, Nos. 50, 51; Cons., 26 March 1850, Nos. 52, 53; Cons., 23 April 1850, Nos. 18, 19; Cons., 30 April 1850, Nos. 31, 32; Diary, 14 May 1850, Nos. 3, 4; Cons., 28 May 1850, Nos. 38, 39; Cons., 4 June 1850, Nos. 52, 53.

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No. 972.

From Sir *H. C. Montgomery*, Bart., Secretary to Government, to *F. J. Halliday*, Esq., Secretary to the Government of India. No. 18.

Sir,

I AM directed by the Right honourable the Governor in Council to request you will submit for the early consideration and orders of the Government of India, the accompanying estimates of the cost of opening the Rallee and Dowlaiswarum Channels from the Godavery Annicut in the Rajahmundry district, amounting to Rs. 87,120. 14. 5.

Letter from the Board of Revenue, dated 27 August 1849, No. 648, with 1 map, 2 sections, 2 estimates, 4 letters, 1 chief engineer's report; Minute by the Right honourable the President, dated 19 September 1849; Minute by the Hon. Mr. Eliott, dated 22 September 1849; Extract Minutes Cons., dated 11 October 1849, No. 971.

2. The reports of the Board of Revenue and of the local revenue and engineer officers, as well as the report of the chief engineer on the proposed works, are transmitted, together with the map and sections with which they are accompanied; and to these I am desired to add copies of minutes recorded by the Right honourable the President, and the Honourable Mr. Elliott, and to request that the particular attention of the Government of India may be called to the views they contain.

3. The Government of India will observe that the estimates now brought under their notice are for only a small portion of the subordinate works which are considered indispensably necessary to give full effect to the whole project of the Godavery Annicut; and that the Government anticipate from them immediate and important advantages to the country and to the revenue. The Governor in Council desires therefore strongly to recommend the proposed works for favourable consideration, and to solicit sanction for the expenditure they are calculated to involve, viz., Rs. 87,120. 14. 5.

(signed) *H. C. Montgomery,*
Secretary to Government.

Fort St. George, 11 October 1849.

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Godavery Annicut.

No. 803.

From *W. Grey*, Esq., Under Secretary to the Government of India, to Sir *H. C. Montgomery*, Bart., Secretary to Government, Fort St. George.

Sir,

No. 3. I AM directed to acknowledge the receipt of your letter, No. 973, dated the 11th ultimo, and to state that the President in Council is pleased, in anticipation of the orders of the Honourable Court of Directors, to sanction the estimates for opening the Rallee and Dowlaiswarum Channels, from the Godavery Annicut in the Rajahmundry district, amounting to Rs. 87,120. 14. 5.

(signed) *W. Grey*,
Under Sec. to Govt. of India.

Fort William,
23 November 1849.

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EXTRACT Revenue Letter from Fort St. George, dated 12 February (No. 9) 1851.

Diary to Cons., 11 February 1851, Nos. 16 to 24.

Para. 1. WE have the honour to submit, for the information of your Honourable Court, copy of a letter from the Board of Revenue, and of its enclosures, on the subject of two estimates relating to the Godavery Annicut, together with copies of minutes recorded by our President and the members of Government; and an extract from the Minutes of Consultation, containing the orders finally adopted.

2. Referring your Honourable Court more particularly to the views of the individual members of Government, we shall briefly state in this place, that we have sanctioned an estimate of 16,442 rupees for the ordinary repair of the Godavery Annicut; and that we have applied to the Government of India for sanction to disburse a further sum of Rs.65,742. 4, in the extension of the Vijeswarum branch of the annicut, which the local engineer officers and the Board of Revenue have pronounced to be indispensably necessary for the security of the whole fabric.

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No. 123.

From Sir *H. C. Montgomery*, Bart., Chief Secretary to Government, to *F. J. Halliday*, Esq., Secretary to the Government of India.

Sir,

No. 24. I AM directed by the Right honourable the Governor in Council to request that you will submit for the consideration and orders of the Government of India, the accompanying copy of a letter from the Board of Revenue in the Department of Public Works, with its original enclosures on the subject of certain estimates relating to the Godavery Annicut in the Rajahmundry district; together with copy of an extract from the Minutes of Consultation, containing the views of Government, and including the minutes recorded by the Right honourable the Governor and the members of Government, which afford more particular exposition of their several sentiments.

The Governor in Council trusts, that under the circumstances represented by the local officers and explained in these proceedings, and considering the great emergency of the case, the early sanction of the Government of India may be granted to the proposed extension of the Vejiaswarum branch of the Godavery Annicut, at a further disbursement of Rs. 65,742. 4.

(signed) *H. C. Montgomery*,
Chief Secretary.

Fort St. George, 8 February 1851.

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MINUTE by the Right Honourable the President.

No. 17. LETTER from the Secretary to the Board of Revenue Department, Public Works, dated the 19th December 1850, with enclosures from the civil engineer of the 1st division, and Collector of Rajahmundry.

I HAVE read the above letter and its accompaniments, and also have gone over the previous correspondence now in circulation, with the attention their importance demands.

I purpose, however, being very brief in my remarks on them, because I have nothing satisfactory to offer in the way of comment.

I do

I do not think that the Board of Revenue, Department Public Works, were justified in sanctioning, under all circumstances, the estimate * for what is called ordinary repairs, without a previous reference to Government, and I fancy such an amount must be submitted for the approbation of the Government of India. Godavery Annicut.

* Rs. 16,442.

With respect to the estimate for "the probable expense" of extending the Vijaswarum division of the annicut, amounting to Rs. 65,742. 4, I say with regret and pain that I cannot, after the fullest reflection, give my personal support to a recommendation in its favour. I have here but to refer to the minute I placed on record on the 19th of September 1849, and to others alluded to in it, to show that I have all along had my misgivings as to the ultimate success of the work, and, if I remember right, the very circumstance which is now quoted, as likely to endanger the whole fabric, was at the outset adduced as the strongest proof of its stability; I mean the non-removal of the sandy foundation, which seems to be perfectly incapable of resisting the action of the strong currents.

In the face of the Honourable Court's orders, and of the opinion expressed by the Government of India, I can only say I do not object to a reference to either or both those high authorities, but beyond this I am not prepared to go.

(signed) *Henry Pottinger.*

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MINUTE by the Honourable Mr. *Eliott.*

From Secretary Board of Revenue, Department Public Works, dated 19 December 1850.

No. 18.

IN this letter are submitted two estimates relating to the Godavery Annicut.

One has been forwarded by the collector of Rajahmundry as belonging to the head of "ordinary" work, being for repairs to the annicut, and the embankments of the river and the lunkas connected with it. The annicut, when it is completed, will of course require periodical repair, and a distinct provision must be made for the expense; this will be one of the ordinary charges for maintaining the system of irrigation upon which the revenue of the district will be mainly dependent. The repairs now required are of the same nature; the annicut has been partly executed, and is already to a considerable degree effective, and is yielding a return in the improvement of the revenue. So far as the construction has gone, it is an effective revenue work, and must be maintained in the ordinary way; it would be irregular to charge the necessary repairs against the estimate for construction. It appears to me quite correct to provide for them by an "ordinary" estimate, and I have no doubt it is within the competency of this Government to sanction the estimate, as other estimates for ordinary repairs for maintaining works for the purpose of irrigation are sanctioned. I observed that the committee anticipated "that a considerable annual expenditure, particularly in rough stone for aprons, and the defence of particular points of the banks, will be required for some time." The estimate amounts to 16,442 rupees, and the Board, considering the repairs indispensably requisite, have, in anticipation of the sanction of Government, authorized their execution from the amount already sanctioned for the construction of the work generally. It would have been better if the Board had applied at once to Government, but some delay has been prevented by the course they took, and the saving of time is of consequence in such repairs.

The estimate, I think, should now be sanctioned, and the charge kept distinct from the charge of construction.

The other estimate provides for an extension of the annicut beyond the original plan for the security of the Vigaswaram branch, which, from circumstances explained by the civil engineer, has been more severely tried than the other parts of the work. From the experience of the last season, the civil engineer is convinced that it will not be safe to leave the annicut as at present, with its terminus on the Vigaswarum side on the edge of a lunka, which he now perceives is likely to be cut away by the water forcing itself round. To guard against this, and to reduce the amount of overfall, which is excessive at present to a dangerous degree, the civil engineer proposes to cut away 400 yards of the lunka, and to extend the annicut that length; the effect of this extension the Board say will probably be to reduce the overfall about one-third, or from six to about four feet, which, they observe, will be a great relief. The Board are of opinion that the additional work is indispensably necessary for rendering the whole secure.

If it be so, and from what is represented, I have no doubt on the point, the expediency of incurring the large additional expense required for the extension of the annicut seems to me unquestionable, and I consider it to be the duty of this Government, not only to recommend, but strongly to urge that the measure proposed may be sanctioned by the Government of India.

The magnitude of the work at stake, as it appears, demands earnestness in stating the case to the Government of India, so that there may be no hesitation in authorizing what experience has proved to be needful. It is a large addition, it is true, which this estimate, amounting to 65,742 rupees, will make to the cost of the whole work, but the consideration that without it the whole will be in jeopardy, ought, I conceive, to be pressed as of paramount weight.

After the severe trials the annicut has suffered and successfully sustained during the process of its construction, we have good reason to rely on the soundness and strength of the structure as equal to the pressure upon it, if that can be duly regulated, and if it can be saved from such injurious action from partial causes as has occurred in this instance in the manner explained by Colonel Cotton. With a river like the Godavery to contend with, it must be

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acknowledged that to provide adequately at all points for the safety of such an extensive work as the annicut, was a task so difficult as to call for the most liberal allowance for defects; indeed it would have been a wonder if a plan had been devised which did not upon actual experience require correction to meet unexpected contingencies; but the experience the engineers have gained, during the three years the work has been in progress, may be justly depended upon.

They have ascertained where the danger lies, and the measure now proposed we may trust will sufficiently guard against it. I am of opinion, on the whole, that we have as good reason to expect that this most important work will be accomplished effectually as we have had at any period of its progress; I might say better reason, inasmuch as its security has been to a great extent proved by the test of experience, and the apparent danger is reduced within comparatively a small compass, and is well understood. We have already begun to reap the fruits anticipated in the improvement of the revenue, as shown by the statements supplied by the Collector, and forwarded by Colonel Cotton, and are gathering the means of meeting the additional expenditure from the operation of the work itself in its unfinished state.

21 January 1851. (signed) *D. Eliott.*

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MINUTE by the Honourable Mr. *Thomas.*

No. 19.

I CONCUR entirely in all the remarks in this minute, and would strongly urge upon the Government of India the propriety of sanctioning the further outlay proposed for widening the annicut, a work pronounced by the civil engineer indispensable, and obviously necessary to secure the works, and the full advantage of the expenditure already incurred.

22 January 1851. (signed) *J. F. Thomas.*

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MINUTE by the Right Honourable the President.

No. 20.
21 January 1851;
22 January 1851.

I HAVE kept these papers, in which are included the minutes of my honourable colleagues, of the dates noted in the margin, for two or three days, to consider the arguments adduced by them.

No one can more highly appreciate the value of the annicut than myself, or more anxiously wish for its perfect success; but I cannot lay my hand on my heart and conscientiously say that I think it will succeed. My own experience of similar works, on a trifling scale, has been considerable; and from the moment I came to Madras, I have, I candidly confess, been more guided by the opinions of the different clever and scientific officers who have examined and reported on the feasibility of this great project, than by any self-imbibed conviction.

Had I been at Madras when the work was first talked of, and my opinion been asked as to the possibility of forming an artificial foundation in the sandy bed of a river like the Godavery for a work of such magnitude as the annicut, I should have decidedly voted against the attempt; and circumstances have casually come to my knowledge, in the course of the inquiries which I have naturally made from various individuals, that strongly tend to strengthen the doubts I entertained from my own observations.

My belief is that, in the desire of the projectors of this work to overcome all difficulties, they have not made sufficient allowance for the stupendous scale on which physical powers are opposed to them. I think the celebrated geographer, Rennell, mentions in one of his memoirs, that the Burhampooter River dislodged a bed for itself which contained sufficient land "to form an island 50 miles square in 20 fathoms water;" and although it is far from my intention to compare the Godavery with the Burhampooter, yet when I hear of the steam-boats, that were lying one season "in deep water" in the Godavery, being buried, "by a single storm," under a sand-bank 20 feet high, which is three-times the altitude of the annicut, I can only draw one conclusion from the fact, and that is, that the work is beyond the power of science and human means to command.

I feel all the responsibility of opposing the various scientific and other opinions which have been passed on the annicut, but I do so from no feeling but an internal conviction. I am ready to share the responsibility of asking the Government of India or the Honourable Court to sanction the present expense; but in doing so, I feel it is due to my own character to beg that this minute be sent with the application.

1 February 1851. (signed) *Henry Pottinger.*

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MINUTE by His Excellency the Commander-in-Chief.

No. 21.

So much has been already expended, and, if I am rightly informed, the annicut has already begun to pay, that it will be a great pity if such an undertaking is abandoned without some further trial.

3 February 1851. (signed) *G. H. F. Berkeley.*

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MINUTE

Godavery Annicut.

MINUTE by the Honourable Mr. *Thomas*.

No. 22.

I THINK this is the true view, that so much money has been expended on this work, and that even now returns of revenue are received from it, that, let the opinions of its ultimate success be most unfavourable, still a fair trial should be given to the project, and that the additional outlay required should not be refused at this date.

3 February 1851. (signed) *J. F. Thomas.*

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NOTE by the Chief Secretary.

No. 23.

1. IN their letter of the 19th December 1850, the Board of Revenue submit two estimates; one, an ordinary one, for repairing the Godavery Annicut, and the river banks near it, at a cost of 16,442 rupees; and the second an occasional estimate, for extending the Vijeswarum division of the annicut, at an expenditure of Rs. 65,742. 4.

2. The annicut, though executed only in part, is already to a considerable degree effective, and is yielding a return in the improvement of the revenue, having supplied, in the past season, water to all the lands in a state to receive it. So far as the construction has gone, the annicut must be viewed as an effective revenue work, and as such to be maintained in repair, like all other works yielding revenue, for the preservation of which ordinary estimates are provided, and sanctioned by Government. The estimate amounts to 16,442 rupees; and the Board of Revenue, considering the repairs indispensably requisite, have, in anticipation of the sanction of Government, authorized their execution from the amount already sanctioned for the construction of the work generally. Though the proper course would have been to have applied at once for sanction, yet the Government see no reason to disapprove of the proceeding of the Board of Revenue in issuing their instructions at once, by which delay has been prevented in the repairs, in which the saving of time is of consequence. The Right honourable the Governor in Council resolves, therefore, to sanction the ordinary estimate submitted by the Board of Revenue, amounting to (16,442) sixteen thousand four hundred and forty-two rupees.

3. The second estimate, amounting to Rs. 65,742. 4., provides for an extension of the annicut beyond the original plan, for the security of the Vijeswarum branch, which, from circumstances explained by the civil engineer, has been more severely tried than the other parts of the work. From the experience of the last season, the civil engineer is convinced that it will not be safe to leave the annicut, as at present, with its terminus on the Vijeswarum side, on the low edge of a lunka, which he now perceives is likely to be cut away by the water forcing a wider channel at this point. To guard against this, and to reduce the amount of overfall, which is excessive at present to a dangerous degree, both to the apron of the work and the sandy bed of the river below it, the civil engineer proposes to cut away 400 yards of the lunka, and to extend the annicut that length. The effect of this extension, the Board say, will probably be to reduce the overfall about one-third, or from six to about four feet, which they observe will be a great relief. The Board are of opinion that the additional work is indispensably necessary for rendering the whole secure.

4. The estimate for this purpose, amounting to Rs. 65,742. 4, will make a large addition to the cost of the whole undertaking; but, considering the magnitude of the work which will be in jeopardy without the proposed outlay, and the fact that it has already contributed largely to the public revenue, as shown by the statements supplied by the Collector of Rajahmundry, and forwarded by Colonel Cotton; and that it is besides already furnishing the means of meeting the additional expenditure from its own operations, though yet in an unfinished state, the Governor in Council feels bound to urge that the measure proposed be sanctioned by the Government of India.

5. With these observations, the Governor in Council resolves to submit the correspondence on the subject with the minutes recorded by the Right honourable the Governor, and by the members of Government, for the consideration of the Government of India, with a request that early sanction may be granted for the disbursement of Rs. 65,742. 4; and he will meanwhile take the opportunity offered by the present mail of reporting these proceedings, for the information of the Honourable the Court of Directors.

(signed) *H. C. Montgomery,*
Fort St. George, 8 February 1851. Chief Secretary.

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EXTRACT Revenue Letter from Madras, dated 25 October (No. 60) 1851, paras. 1 to 5.

Para. 1. REFERRING to our letters in this department, dated 20th August and 12th February 1851, we have the honour to report our further proceedings connected with the works at the Godavery Annicut.

2. Your Honourable Court will observe, from the communications noted in the margin, that the Government of India have sanctioned the extension of the Vejiasevaram branch of the Godavery Annicut at an expense of Rs. 65,742. 4.; but

Cons. 18 March 1851, Nos. 116, 117; Cons., 6 May, Nos. 30, 31.

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but for the reasons assigned in our Minute of Consultation of the 6th May last, we have deemed it proper to await another report from the Board of Revenue and the civil engineer before authorizing any further disbursements, having previously sanctioned an advance of 10,000 rupees for providing rough stone, which it was represented would be available for the minor works, if the extension of the annicut on the Vejiaswaram side should not be sanctioned. From the subsequent report of the Board, dated 14th July 1851, herewith transmitted, it will be seen that the work is not likely to be required at least for a year or two.

Cons., 15 August 1851.

Cons., 22 July 1851, Nos. 29, 30.

3. We have also to inform your Honourable Court, that in compliance with the recommendation of the Board of Revenue, on a communication from the civil engineer of the first division, reporting the failure of the early rains and the probability of a scanty monsoon, we have authorized the opening of such branch channels connected with the Godavery Annicut as the Collector of Rajahmundry might feel sure would be productive, by bringing water to villages able to make use of it, the collector being the judge of the channels to be opened, and to be held responsible that the public money was not uselessly laid out.

Diary, 18 March 1851, Nos. 3 to 5. Cons., 13 May, Nos. 28, 29.

4. With the sanction of the Government of India, we have authorized an outlay of Rs. 76,396. 10. 11. for extending the works of irrigation on the right bank of the Godavery, and for providing lines of navigation from the annicut to the coast, by which means 300,000 acres of land can, it is estimated, be brought under cultivation.

5. We transmit* periodical reports of the progress made in the Godavery Annicut works, and solicit the attention of your Honourable Court to the observations we have recorded thereon, merely observing in this place, that with the exception of the covering of the Muddoor division, the annicut was completed on the 19th June last, and that the excess in disbursement above the amount estimated for the construction of the annicut works is calculated at 17,000 or 18,000 rupees; a result, however, which cannot be ascertained with certainty until the accounts of the actual expenditure have been submitted.

Cons., 15 August 1851.

## No. 226.

From Sir *H. C. Montgomery*, Bart., Chief Secretary, to *F. J. Halliday*, Esq., Secretary to the Government of India.

Sir,

No. 5.

REFERRING to my letter, No. 1,229, dated 23d December 1850, and to the correspondence which accompanied it, I am now directed by the Right honourable the Governor in Council to request that you will submit, for the favourable consideration of the Honourable the President in Council, the accompanying copy of a letter from the Board of Revenue in the Department of Public Works, with its original enclosures, being a communication from the civil engineer of the first division, with a sketch and plans, and an estimate for Rs. 76,396. 10. 11., the cost of extending the irrigation on the right bank of the Godavery River by means of the annicut; together with an extract Minutes Consultation, of this day's date, containing the orders passed on the subject by this Government.

The Government of India will observe, that the Right honourable the Governor in Council has felt so satisfied in the necessity of the proposed work, that he has, in anticipation of the approval of his Honour the President in Council, authorized an immediate advance of 20,000 rupees, in order that the civil engineer and district revenue officers may collect materials, and be prepared vigorously to prosecute it immediately the confirmation of the Government of India is received.

The estimate provides for preparing the channels of irrigation on the right bank of the larger body of water which the annicut will throw into them, for extending them in some cases, securing the means of regulating their supply, and providing for lines of navigation from the annicut to the coast; and it is estimated that 300,000 acres of land can be thus brought into cultivation. The works are reported by the Board of Revenue to be substantially designed, and estimated on a liberal scale; and it must be remembered that they form part of the great general project

* Cons., 24 January 1851, Nos. 31 to 33; Cons., 11 February 1851, Nos. 72, 73; Cons. 3 April 1851, Nos. 46, 47; Diary, 13 May 1851, Nos. 16, 17; Cons., 11 July 1851, Nos. 65, 66; Cons., 15 August 1851, Nos. 36 to 38 and 75, 76.

project for the improvement of the Rajahmundry district, of which the construction of the Godavery Annicut was the first step, and to which the approval of the Honourable Court has already been accorded. Godavery Annicut.

(signed) *H. C. Montgomery,*
Fort St. George, 6 March 1851. Chief Secretary.

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No. 551.

EXTRACT from the Proceedings of the Honourable the President of the Council of India in the Financial Department, under date the 11th April 1851. No. 30.

READ a communication from the Home Department, No. 119, dated the 8th ultimo, forwarding for consideration and orders a despatch from the Government of Fort St. George, No. 123, dated the 8th February last, with enclosures, soliciting early sanction to a further outlay of Rs. 65,742. 4. for extending the Vejiaswaram branch of the Godavery Annicut.

RESOLUTION.

As the outlay of Rs. 65,742. 4., for which sanction is now solicited, is shown to be a matter of necessity, the President in Council is pleased to authorize it, in anticipation of the confirmation of the Honourable the Court of Directors.

ORDER.

Ordered, that a copy of the foregoing resolution be forwarded to the Home Department for communication to the Government of Fort St. George, and that the original papers be returned, copies being kept for record.

(A true extract.)

(signed) *J. Dorin,*
Secretary to the Government of India.

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No. 237.

COPY of the foregoing forwarded to the Government of Fort St. George, with reference to Chief Secretary Sir H. C. Montgomery's letter, No. 123, dated 8th February last, the original enclosures of which are herewith returned.

(signed) *F. J. Halliday,*
Secretary to Government of India.

Fort William, Home Department,
24 April 1851.

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No. 434.

THE Governor in Council apprehends that the sanction of the Government of India has been received too late to admit of the extension of the Vegiaswaram dam being undertaken during the small remaining portion of the present working season; and as it is possible that the civil engineer may find, after the freshes have subsided, that his plan may require modification, and as the Government have already sanctioned an advance of 10,000 rupees on account of the additional work now authorized by the Government of India, which it is hoped will have enabled the civil engineer to do what was immediately necessary, it is deemed proper to await a further report from the Board of Revenue and civil engineer before authorizing the actual disbursement of any further portion of the estimate for extending the Vejiaswaram dam. No. 31.

(signed) *T. Pycroft,*
Secretary to Government.

Fort St. George, 6 May 1851.

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Godavery Annicut.

EXTRACT Revenue Letter from Fort St. George, dated 7 June (No. 27) 1852.

1. WE have the honour to address you, in continuation of our letter dated 25th October 1851 (No. 60), and to submit, for the information of your Honourable Court, copy of the correspondence * which has since passed on the subject of the further works undertaken in connexion with the Godavery Annicut, in the district of Rajahmundry.

2. It will be seen that, in furtherance of the great scheme of artificial irrigation, of which the annicut is the basis, we have, on the strong recommendation of the local officers and the Board of Revenue, obtained the sanction of the Government of India to two projects for the irrigation of the right and left banks of the Godavery, at an estimated expenditure of Rs. 1,38,646. 15. 5. and Rs. 1,76,357. 0. 5. respectively. These projects consist of a system of channels taken off from the great ducts, with the usual auxiliary works of masonry, and are indispensably necessary to the full development of the benefits anticipated from the annicut. It will be observed that it is not intended to attempt to complete these works in the present season, but only to carry out such as promise to yield a speedy return.

Cons., 24 Dec. 1850, Nos. 24 to 26. Cons., 4 March 1851, Nos. 37, 38.

3. The Government of India have further sanctioned an establishment of three second assistant civil engineers, three maistries, and 12 Lascars, at a monthly charge of 747 rupees, for a period of three years, to carry forward the project of irrigation from the annicut, and to meet the wants of the civil engineer's department for the first division.

4. We have also applied to that Government for sanction to a supplemental estimate of 29,600 rupees, recommended by the Board of Revenue, for completing the Muddoor division of the annicut with Cyclopean stone, and for iron posts and planks for increasing the height of the dam, in lieu of the masonry wall proposed by the committee. The circumstances under which it has been found necessary to submit this estimate are fully detailed in the correspondence recorded in our Consultations of the 23d December and 2d March last, and under the explanation there afforded we have authorized an advance of 10,000 rupees to enable the civil engineer to complete the Cyclopean part of the work.

Cons., 4 November 1851, Nos. 18 to 22; 24 February 1852, Nos. 11 to 17; 27 April 1852, Nos. 55, 56.

5. We transmit also copy of the correspondence noted in the margin relative to a project submitted by the Board of Revenue for draining a large tract of land to the east of the Colavi Lake, in the district of Masulipatam, at an estimated expense of Rs. 66,060. 10.

6. The project was brought to our notice in September last, and was deferred for future consideration, on the grounds of the extensive works engaging the attention of the civil engineer, and the large outlay which their execution involved; but under the very urgent representations made by that officer, as recorded in our Consultation of the 24th February last, and as the work in question was represented to be a necessary part of the project connected with the Godavery Annicut, we authorized an advance of 10,000 rupees to enable him to commence operations, and subsequently applied to the Government of India, and obtained their sanction to the full amount of the estimated outlay which, it will be observed, will not be expended in one season.

Cons., 15 April 1851, Nos. 34, 35; 6 May 1851, Nos. 26, 27; 27 May 1851, Nos. 47, 48; 24 Feb. 1852, Nos. 1, 2; 2 March 1852, Nos. 22, 23.

7. With reference to paras. 2 to 4 of our despatch in this department, dated 5th February 1852 (No. 8), we beg to forward copy of a further correspondence with the Board of Revenue relative to the subject of improving the line of navigation by the Thooliah Bagah Channel from the village of Arataculta to Coovoor, and constructing a new lock and calingulah at the junction of the channel with the Cotha Calwah, and another calingulah across the Yelairoo River, in the Rajahmundry district.

8. In submitting an estimate of the cost of the proposed works, the Board of Revenue stated that two locks were erected at Chintapully and Covoor in 1849–50 for rendering the Thoolia Bagah navigable, but that the lower lock being built not far below the junction of the Yelairoo River, with the channel, was much damaged

* Cons., 9 December 1851, Nos. 19 to 25; 9 December 1851, Nos. 26 to 31; 16 March 1852, Nos. 4 to 6; 10 February 1852, Nos. 28, 29; 23 December 1851, Nos. 41, 42; 2 March 1852, Nos. 15 to 21; 25 May 1852, Nos. 12, 13; 23 March 1852, Nos. 13 to 15; 11 May 1852, Nos. 17 to 20; 4 May 1852, Nos. 31, 32; 11 May 1852, Nos. 25, 26.

damaged by freshes from the hills last year, and its calingulah for the discharge of the waste water swept away. To guard these works, in their present situation, against future injuries from the same cause, it was proposed to separate the Thooliah Bagah from the Yelairoo, and at the same time to shorten the line of navigation by cutting for it a new and straight course from Aratacutta to Coovoor. Godavery Annicut

9. Though we approved of the proposed improvement in our Minutes of Consultation of the 15th April 1851, we were of opinion that it should be deferred for a future time, in consideration of the very extensive and more important irrigation works in progress in the district; but under the strong representations subsequently submitted by the civil engineer of the serious importance of the work as an essential part of the whole Godavery project, and the urgent solicitation of that officer for early sanction, we resolved to authorize the estimated outlay, amounting to Rs. 9,938. 6. 8., after deducting the cost already sanctioned, of constructing a calingulah across the Yelairoo, and of ordinary work to the Cotha Calwah, which, we observed, might be executed like other usual works, under an ordinary estimate for the year. In para. 27 of our despatch, 10th March 1852, No. 14, we informed your Honourable Court that we had obtained the sanction of the Government of India for the employment of a fixed establishment at a monthly charge of 54 rupees, for working the locks in the Thoolia Bagah Channel.

10. The Board of Revenue subsequently laid before us a letter from the Collector of Rajahmundry, with an ordinary estimate prepared by the civil engineer for repairing and improving this channel and the works connected with it in the present season, and recommended for sanction the proposed expenditure of Rs. 13,138. 8. 8. We resolved, however, to defer granting our sanction to any further outlay on account of these works until the information called for in our Minute of Consultation of the 18th February last was furnished.

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No. 1,220.

From Sir *H. C. Montgomery*, Bart., Chief Secretary to the Government of Fort St. George, to *F. J. Halliday*, Esq., Secretary to the Government of India.

Sir,

I AM directed by the Right honourable the Governor in Council to forward, for submission to the Government of India, copies of the communications noted in the margin,* relative to two projects for the irrigation of the right and left banks of the Godavery, at an estimated expense of Rs. 1,38,646. 15. 5. and Rs. 1,76,357. 0. 5. respectively. No. 31.

* *See* below.

2. The advantages of the project for the irrigation of the land on the right bank of the Godavery having been forcibly represented, and its execution strongly recommended both by the local officers and the Board of Revenue, the Governor in Council, under the emergency of the case, and in consideration of the reasons set forth in the concluding para. of the Minutes of Consultation of this date, has been induced to sanction the outlay for carrying it into effect, in anticipation of the approval of the Government of India.

3. In regard to the project for the irrigation of the left bank of the Godavery, the Governor in Council regarding it also as indispensably necessary to the full development of the benefits anticipated from the annicut, has authorized an advance of 30,000 rupees upon the estimate, and desires me to solicit the sanction of the Government of India to the total amount required; viz. Rs. 1,76,357. 0. 5.

(signed) *H. C. Montgomery*,
Chief Secretary.

Fort St. George, 9 December 1851.

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MINUTE by the Right Honourable the President. No. 27.

LETTER from the Secretary to the Revenue Board, Department Public Works, No. 1,326, dated 17th November, with Estimates of Works of Irrigation, connected with the Godavery Annicut on the left bank of that river.

I HAVE

* From Board of Revenue, 25 September 1851, No. 787; Extract Minutes Cons., 9 December 1851, No. 1,215; From Board of Revenue, 17 November 1851, No. 945; Extract Minutes Cons., 9 December 1851, No. 1,219.

Godavery Annicut.

I HAVE very carefully read the above letter and its accompaniments, and also minutely examined the map and plans.

So far as it is possible for any one ignorant of the localities, and also of the scientific knowledge which is required, to clearly understand the application of the different works proposed by the civil engineer of the 1st division, to pronounce on the projects here submitted, I am of opinion, that they are indispensably necessary to the full development of the benefits anticipated from the Godavery Annicut, and as I presume, for the reasons assigned in my minute* of yesterday's date, that the expense to be incurred on them is included in the general approval of this vast undertaking by the Honourable Court, I propose that an advance of 30,000 rupees be at once authorized, and that an application be forthwith made to the Government of India for sanction to the total sum.

29 November 1851. (signed) *Henry Pottinger.*

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MINUTE by the Honourable Mr. *Eliott.*

No. 28.

I CONCUR. I observe by the Collector's letter, it is not intended "to attempt to complete these works in the approaching season," but only to carry out such as promise to yield a speedy return, which is very judicious.

29 November 1851. (signed) *D. Eliott.*

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MINUTE by the Honourable Mr. *Thomas.*

No. 29.

I AGREE; and I would make this indispensable, and require a further report, showing what portions of the work are to be, and what are not to be now completed.

1 December 1851. (signed) *J. F. Thomas.*

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No. 1,219.

NOTE by the Chief Secretary.

No. 30.

Para. 1. IN the foregoing letter, the Board of Revenue solicit sanction to an estimate amounting to Rs. 1,76,357. 0. 5. for the irrigation of the country on the left bank of the Godavery, the project consisting, like those submitted for the right bank and the delta, "of a system of channels taken off from the great ducts, with the usual auxiliary works of masonry;" and request an advance of 30,000 rupees, to enable the civil engineer to make preparations.

2. The Right honourable the Governor in Council having carefully read the above letter and its accompaniments, is of opinion, that the works recommended are indispensably necessary to the full development of the benefits anticipated from the Godavery Annicuts; and, under this impression, authorizes an advance of (30,000) thirty thousand rupees, as requested, and resolves to submit an application to the Government of India, soliciting their sanction to the total amount of the estimate.

3. The Governor in Council observes from the Collector's letter, that it is not intended to attempt to complete these works in the approaching season, but only to carry out such as promise to yield a speedy return. This appears to be judicious; and the Government are of opinion, that this course should be most carefully and rigidly followed. The Governor in Council desires that a report may be submitted, showing what portions of the work are to be, and what are not to be now completed.

(signed) *H. C. Montgomery,*
Fort St. George, 9 December 1851. Chief Secretary.

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EXTRACT Fort St. George Revenue Diary to Consultation of 16 March 1852.

RECEIVED the following:—

No. 304.

No. 5.

Extract from the Proceedings of the Most Noble the Governor-General of India in Council in the Financial Department, under date 4 February 1852.

Read an endorsement from the Home Department, No. 682, dated 29th December 1851, forwarding for consideration and orders a despatch from the Government of Fort St. George, No. 1,220 of the 9th idem, with enclosure, soliciting

* Letter from the Board of Revenue, dated Prince of Wales' Island, No. 1,143, of 25 Sept. 1852.

soliciting sanction to two projects for the irrigation of the right and left banks of the Godavery Annicut.

Godavery Annicut.

RESOLUTION.

The Governor-general in Council observes, that it is proposed to undertake two projects for the irrigation of the right and left banks of the Godavery Annicut in the district of Rajahmundry, at an estimated expenditure of Rs.1,38,646. 15. 5., and Rs.1,76,357. 0. 5.* respectively, and as these works are in furtherance of the great scheme of artificial irrigation of which the annicut is the basis, his Lordship in Council is pleased, on the recommendation of the Government of Fort St. George, to accord his sanction to the expenditure, aggregating Rs.3,15,003. 15. 10.

ORDER.

Ordered, that a copy of the foregoing resolution, together with the papers noted in the margin, be forwarded to the Home Department for communication to the Government of Fort St. George.

Copy of a letter from the Government of Fort St George, No. 1,220, dated 9 December 1851; sever original papers.

(A true extract.)

(signed) *J. Dorin,*
Secretary to the Government of India.

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No. 191.

COPY of the foregoing forwarded to the Government of Fort St. George, with reference to Chief Secretary Sir H. C. Montgomery's letter, No. 1,220, dated 19th December last. The original enclosures and plans are herewith returned.

By Order of the Governor-General in Council.

(signed) *A. R. Young,*
Under Secretary to Government of India.

Fort William, Home Office,
2 March 1852.

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No. 246.

ORDERED to be communicated to the Board of Revenue in the Department of Public Works, with reference to the correspondence noted in the margin,† and also to the Office of Account and Audit.

No. 6.

† *See* below.

(signed) *H. C. Montgomery,*
Fort St. George, 13 March 1852. Chief Secretary.

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* Estimate for the probable expense for works required in the central tract or delta, that is, the part lying between the two main branches of the Godavery, in the district of Rajahmundry, for the year 1851 - - - - - - - - - - - - - - Rs. 1,38,646 15 5

Estimate of the expense required on account of irrigation works in connexion with the Godavery Annicut, on the east side of the river, in the district of Rajahmundry - - - - - - - - - - - - - - 1,76,357 - 5

Rs. 3,15,003 15 10

† From Board of Revenue, Department Public Works, dated 25 September 1851, No. 787; Extract Minutes of Cons., 9 December 1851, No. 1,215; From Board of Revenue, Department Public Works, dated 7 November 1851, No. 945; Extract Minutes of Cons., 9 December 1851, No. 1,219; Extract Proceedings, Department Public Works, dated 23 February 1852, No. 146.

Godavery Annicut.

No. 196.

From Sir *H. C. Montgomery*, Bart., Chief Secretary to the Government of Fort St. George, to *J. F. Halliday*, Esq., Secretary to the Government of India.

Sir,

No. 21. I AM directed by the Right honourable the Governor in Council to forward, for the consideration of the Government of India, the communications noted in the margin,* regarding a supplemental estimate, amounting to 29,600 rupees, for completing the Muddoor division of the Godavery Annicut in the Rajahmundry district.

* *See* below.

2. The circumstances under which it has been found necessary to submit the present estimate, are fully detailed inthe correspondence now submitted, and under the explanation now afforded, the Right honourable the Governor in Council has authorized an advance of 10,000 rupees, to enable the civil engineer to complete the Cyclopean work of the Muddoor division of the annicut, and desires me to solicit sanction for the full amount of the estimate.

(signed) *H. C. Montgomery*,
Chief Secretary.

Fort St. George,
28 February 1852.

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EXTRACT Fort St. George Revenue Diary to Consultation of 25 May 1852.

READ the following:—

No. 856.

No. 12. Extract from the Proceedings of the Most Noble the Governor-General of India, in Council, in the Financial Department, under date 30 April 1852.

Read an endorsement from the Home Department, No. 235, of the 27th ultimo, forwarding for consideration and orders, a letter from the Government of Fort St. George, No. 196, dated the 28th February, with enclosures, soliciting sanction to an estimate of 29,600 rupees, for completing the Muddoor division of the Godavery Annicut.

RESOLUTION.

Under the circumstances of the case, and on the recommendation of the Government of Fort St. George, the Governor-general in Council is pleased to sanction the estimate of 29,600 rupees required for the completion of the Mudvoor division of the Godavery Annicut, in the district of Rajahmundry.

ORDER,

Government of Fort St. George to Home Department, 28 February 1852, with seven original papers.

Ordered, that a copy of the foregoing resolution be forwarded to the Home Department for communication to the Government of Fort St. George, and that the papers noted in the margin be returned.

(A true extract.)

(signed) *J. Dorin*,
Secretary to the Government of India.

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* From Board of Revenue, 27 November 1851, with original Enclosures; Extract Minutes Cons., 22 December 1851, No. 1,273; From Board of Revenue, 3 January 1852, No. 3; From Board of Revenue, 5 February 1852, No. 105, with one original Enclosure; Extract Minutes Cons., 28 Feb. 1852, No. 195.

Godavery Annicut.

No. 175.

From Sir *H. C. Montgomery*, Bart., Chief Secretary to Government, Fort St. George, to *F. J. Halliday*, Esq., Secretary to the Government of India. No. 17.

Sir,

I AM directed by the Right honourable the Governor in Council, to submit the correspondence noted in the margin,* relative to a project for draining a large tract of land to the east of the Colair Lake, in the district of Masulipatam, at an estimated expense of Rs. 66,060. 10.

* *See* below.

2. The project was brought to the notice of Government in September last, and was deferred for future consideration, on the grounds of the extensive works engaging the attention of the civil engineer, and the large outlay which their execution involved; but under the very urgent representations now made by that officer, which are fully recorded in an extract from the Minutes of Consultation of this date, the Governor in Council has been induced to sanction an advance of 10,000 rupees, to enable him to commence operations; and as the work in question is represented to be a necessary part of the works connected with the Godavery Annicut, the construction of which has received the approval of the Honourable Court, I am desired to request sanction to the full amount of the estimate, which it will be observed, will not be expended in one season.

I have, &c.
(signed) *H. C. Montgomery*,
Fort St. George, 24 February 1852. Chief Secretary.

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EXTRACT Fort St. George Revenue Consultation of 27 April 1852.

READ the following:—

No. 573. No. 55.

Extract from the Proceedings of the Most Noble the Governor-General of India in Council in the Financial Department, under date 2 April 1852.

Read an endorsement from the Home Department, No. 219, dated the 22d ultimo, forwarding for consideration and orders a despatch, No. 175, of the 24th February last, from the Government of Fort St. George, with enclosures, soliciting sanction to a project for draining a large tract of land to the east of the Colair Lake, in the district of Masulipatam, at an estimated cost of Rs. 66,060. 10.

RESOLUTION.

Under the explanations submitted by the Government of Fort St. George, the Governor-general in Council is pleased to sanction the project for draining a large tract of land to the east of the Colair Lake, in the district of Masulipatam, at an estimated cost of Rs. 66,060. 10., as a part of the works connected with the Godavery Annicut.

ORDER.

Ordered, that a copy of the above resolution be forwarded to the Home Department for communication to the Government of Madras, and that the papers noted in the margin be returned.

Copy of a letter from the Government of Madras to the Home Department, No. 175, dated 24 Feb. 1852; six original papers and one plan.

(A true extract.)

(signed) *J. Dorin*,
Secretary to the Government of India.

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* From Board of Revenue, Department of Public Works, 25 September 1851, No. 779, with five original Enclosures; From Board of Revenue, Department of Public Works, 5 January 1852, No. 5, with two original Enclosures; Extract Minutes, 24 February 1852, No. 174, with Minutes of Government therein recorded.

Godavery Annicut.

No. 313.

COPY of the foregoing forwarded to the Government of Fort St. George, with reference to the Chief Secretary, Sir H. C. Montgomery's letter, No. 175, dated 21st February last, the original enclosures of which are herewith returned.

By order of the Governor-General in Council,

(signed) *A. R. Young*,
Under Secretary to Government of India.

Fort William, Home Department,
13 April 1852.

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No. 56.

No. 386.

ORDERED, that the sanction of the Government of India, conveyed in the foregoing proceedings, be communicated to the Board of Revenue, in the Department of Public Works, and to the Officers of Account and Audit, with reference to an extract from the Minutes of Consultation, dated 24th February 1852, No. 174.

(signed) *H. C. Montgomery*,
Chief Secretary.

Fort St. George, 27 April 1852.

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EXTRACT Revenue Letter from Madras, dated 22 February (No. 13) 1853.

Cons., 1 June 1852, Nos. 6 to 9, 22 to 24, and 34 to 38; 13 July 1852, Nos. 5, 6; 7 September 1852, Nos. 53, 54; 17 September 1852, Nos. 34, 35.

Para. 1. IN continuation of our letter in this department, dated 7th June 1852, No. 27, we have the honour to submit, for the information of your Honourable Court, copies of the correspondence recorded in the Consultations noted in the margin, having reference to the works on the Godavery, in the Rajahmundry district.

2. Your Honourable Court will observe that, with the exception of some trifling details, the works of the Godavery Annicut were reported in April last, to have been completed, and in excellent order generally, though improvements and alterations were stated to be requisite in different parts; and that in our proceedings of the 27th May following, we recorded our obligations to Colonel Cotton, Captain Orr, and the officers of the department under their orders, for their services on this occasion; intimating at the same time, that it would be an agreeable duty to bring the same to the notice of your Honourable Court; we also noticed the very valuable aid afforded during the progress of the work by Mr. Forbes, late sub-collector of Rajahmundry, by whose vigorous execution of the responsible duty assigned to him, the constant requirements of the Engineer Department was supplied, and by whose judicious arrangements, order and regularity were preserved among the vast assemblage of artizans and labourers congregated at Dowlaishwarum.

Cons., 24 August 1852, Nos. 32, 33; Diary, 17 Sept. 1852, No. 45, 46; Cons. 9 November 1852, Nos. 35, 36; 7 January 1853, Nos. 31, 32; Diary, 14 Jan. 1853, Nos. 20 to 23.

3. On the 7th August, the civil engineer reported through the Board, that a very high fresh in the Godavery, had done considerable injury to the works on the western side of the river, and roughly estimated the losses at 10,282 rupees. We regretted the damage thus done, and expressed our reliance on the exertions of the engineer and revenue officers of the district in securing their early repair, and desired that a further report of the condition of the works should be furnished after the expected September freshes had subsided. This has been furnished, and the result has been shown to be satisfactory. It will be observed, that in consideration of the injuries sustained by the lock at Vyjeeswarum, hitherto in use, and the sluices adjacent, it has been deemed advisable, not only for the security of the old works, but also with the view of keeping open the navigation of the Godavery River, to erect a new lock in a more convenient position, rather than reconstruct the lock injured by the late floods; and that the cost has been estimated at Rs. 17,876. 5., which was sanctioned by us under date the 8th January 1853.

4. We have now to draw your attention to the communications from the Board of Revenue and chief engineer, and to the minutes of the members of Government,

ment, recorded in our Consultation of the date noted in the margin, on the subject of an application for a further expenditure of 71,382 rupees upon works on the right bank of the Western Godavery, upon which the Government of India had previously, in 1849, sanctioned a disbursement of 76,396 rupees. Your Honourable Court will observe that, deeming the information before us insufficient for a further application being made to that Government, and entertaining doubts of the expediency and value of the great extension given to the channels for navigation, which, contrary to what was originally contemplated when the project of the annicut was proposed and sanctioned, seemed, from the papers before us, to be now treated in a great degree as the paramount object, we have resolved, with a view of arriving at a correct conclusion on the subject, to call for further and full particulars as to the number of works or projects subsidiary to the annicut, in hand, the outlay on each of them to the present period, and the estimated further cost to complete each project, with other particulars, as the extent of land brought for the first time under irrigation by those works, and the means and capabilities of the ryots to take up this land and bring it under profitable culture, with the total contemplated outlay in this district. Meanwhile, we informed the Board that we were not prepared to sanction any further outlay except for the completion of works on hand exclusively for the purposes of irrigation, and for which alone we required them to submit estimates when replying to our requisition.

Godavery Annicut.

Diary to Cons. 14 January 1853, Nos. 1 to 19, and 75, 76.

We have since received a communication from the Board, in reply to extract Minutes of Consultation of the 8th January last, but we did not consider the information afforded in it to be of a nature that would authorize the sanction of any advances on account of the works referred to, and we resolved, therefore, to await the receipt of the fuller report called for in paras. 4 and 5 of extract Minutes of Consultation, 14 January 1853, No. 47.

Cons., 8 February 1853, Nos. 21, 22.

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EXTRACT Revenue Letter from Fort St. George, dated 24 June (No. 34) 1853.

Diary, 22 February 1853, Nos. 3, 4; 4 March 1853, Nos. 1, 2, 46 to 50; 1 April 1843, Nos. 4 to 13; 5 April 1853, Nos. 1, 2; 20 May 1853, Nos. 1 to 8; 19 April 1853, Nos. 12, 13.

Para. 1. WE have the honour to submit, in continuation of our letter in this department, dated 22 February last, No. 13, copies of the correspondence recorded in the Consultations noted in the margin, having reference to the Godavery Annicut in the Rajahmundry district, and works subsidiary to it.

2. We beg to refer your Honourable Court to our resolution of the 24th March last, No. 336, as showing that the actual charge incurred from 1847 to 1852 in the construction of the Godavery Annicut, has been Rs. 9,09,831. 6. 8., besides Rs. 12,330. 0. 11. on account of Cyclopean work of the Muddoor division of the annicut, separately sanctioned, and that the disbursement, though in excess of the original estimate by 4,34,079 rupees, was still 1,378 rupees below that computed by the Godavery Committee as necessary for the completion of the work.

3. Your Honourable Court will observe, from the proceedings of the Board of Revenue in the Department of Public Works, dated 27th January 1853, that a sum of Rs. 44,389. 5. 4. was passed, chiefly an ordinary estimate for general repairs to the Godavery Annicut, and for clearing, repairing and extending old drainage channels, and that at a subsequent date we sanctioned an occasional estimate for Rs. 1,958. 3., for a bund and sluice at the junction of the Oodoo Calwah with the right bank of the Godavery above the annicut, which was represented to be necessary.

4. Having, since the date of the last letter, received from the Board of Revenue satisfactory particulars of the works subsidiary to the annicut in hand, and the further outlay required to complete them, we authorized a present advance of 50,000 rupees for the prosecution of the works, and subsequently sanctioned, subject to the confirmation of the Government of India, the expenditure required on that account, amounting to Rs. 2,17,806. 0. 1, as shown in the margin.*

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| | Rs. | a. | p. |
|---|---|---|---|
| *, For Works on the right bank | 72,734 | 2 | 5 |
| Ditto on ditto | 1,36,054 | 1 | 2 |
| Ditto on left bank | 3,905 | 7 | 10 |
| Ditto, completing annicut | 5,112 | 4 | 8 |
| | Rs. 2,17,806 | – | 1 |

Godavery Annicut.

No. 340.

No. 11.

From Sir *H. C. Montgomery*, Bart., Chief Secretary to Government, to *J. P. Grant*, Esq., Secretary to the Government of India.

Sir,

To Government of India, 9 Dec. 1851, No. 1,220; from Government of India, 2 March 1852, No. 304.

With reference to the papers noted in the margin, I am directed by the Right honourable the Governor in Council to forward, for submission to the Government of India, copy of a letter from the Board of Revenue in the Department of Public Works, and its original enclosures, upon the Nagarum aqueduct work, and the others included in the project of irrigation for the delta of Rajahmundry, and on the further expenditure required to complete them, together with an extract from the Minutes of Consultation of this day's date, containing the views of Government on the application.

2. The sanction granted by the Government of India for these works, in their Proceedings in the Financial Department, dated 14th February 1852, amounted to Rs. 1,38,646. 15. 5., and the further expenditure now required for their completion, is shown, in the supplemental estimate submitted by the Board of Revenue, to be Rs. 1,25,320. 8. 9. Under the circumstances detailed in these papers, the Governor in Council had no alternative but to sanction the estimate, and to report the proceedings for the confirmation of higher authority, and he regrets that the unauthorized proceedings of the local officers should have forced him to anticipate the orders of the Government of India, by directing an advance of such an amount as may be immediately necessary for the preparation of materials, and for carrying on such of the works as will admit of no delay.

I have, &c.
(signed) *H. C. Montgomery*,
Chief Secretary.

Fort St. George, 24 March 1853.

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No. 536.

From Sir *H. C. Montgomery*, Bart., Chief Secretary, to *J. P. Grant*, Esq., Secretary to the Government of India.

Sir,

No. 8.

Extract Minutes Cons., 4 March 1853, No. 249, with all the papers included in it; Extract Minutes of Cons., 14 May 1853, No. 535, with all the papers included in it.

In continuation of my letter, dated 24th March last, No. 340, I am directed by the Right honourable the Governor in Council to forward, for submission to the Government of India, extracts from the Minutes of Consultation, of the dates noted in the margin, together with the correspondence from the Board of Revenue in the Department of Public Works, and minutes of the members of Government recorded thereon, with statements and a map of the Delta therein referred to, relating to the expenditure already incurred on the subsidiary irrigation and navigation works of the Godavery Annicut, and the further outlay required to complete them.

2. The Government of India will observe, that of the total further expenditure, estimated at Rs. 2,17,806. 0. 1., the sum of Rs. 1,25,320. 8. 9. has already been sanctioned by this Government, as reported in my letter of the 24th March, besides the small additional sum of Rs. 5,113. 6. 5, on account of iron posts and shutters on the Godavery Annicut; and that, under the circumstances detailed in the resolutions of Government now transmitted, the Governor in Council has been induced to accord his sanction for the remaining expenditure of Rs. 87,372. 0. 11, and he requests that the proceeding may be confirmed by the Government of India.

3. I am also directed to forward the papers entered in the margin,* which will afford the Government of India any further information they may desire respecting the earlier discussions which have taken place on the subject under reference.

(signed) *H. C. Montgomery*,
Chief Secretary.

Fort St. George, 14 May 1853.

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* Extract Minutes Cons., 8 January 1853, No. 31, with all the papers and minutes recorded in it; Extract Minutes of Cons. 14 January 1853, No. 47, with papers; Extract Minutes of Cons., 8 February 1853, No. 154, with papers; Minutes of the Members of Government recorded on letter from Board of Revenue, 7 February 1853, forwarded to Government of India on the 24th March last.

## Trivady Annicut, across the Guddalum, in South Arcot.

EXTRACT Revenue General Letter from Madras, dated 15 Nov. (No. 54) 1847.

Para. 8. FROM the correspondence noted in the margin, your Honourable Court will learn that in compliance with our recommendation, the Government of India have sanctioned the construction of a new annicut across the Guddalum River in South Arcot, at an estimated cost of Rs.14,806. 7. 8½. It will be observed, that a work of the same description was constructed in the year 1838, but from the injudicious selection of the site, it soon failed. The position selected for the proposed new annicut and recommended by the Board of Revenue, is stated to be very favourable for collecting the spring water which in the dry season is found between it and the site of the old annicut, and will also save the ryots the labour of keeping clear any new channel. The execution of the project will, it is also expected, afford facilities for the growth of sugar-cane upon the large extent of 1,397 cawnies at present uncultivated for want of water, and lead to an increase of revenue to the amount of 10,000 rupees.

Cons., 15 Sept. 1846, Nos. 9 to 12; Cons., 3 Nov. 1846, Nos. 75, 76.

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No. 920.

From *E. P. Thompson*, Esq., Secretary to Government, to *G. A. Bushby*, Esq., Secretary to the Government of India.

Sir,

Para. 1. I AM directed by the Most Noble the Governor in Council, to request you will submit to the Government of India the accompanying copy of a letter from the Board of Revenue in the Department of Public Works, with its several original Enclosures,* on the subject of constructing a new annicut across the Guddalum River, in the district of South Arcot, at an estimated cost of Rs.14,806. 7. 8½.

No. 12.

2. It will be observed from the review taken by Government of these papers, that a work of the same description was constructed in the year 1838, but that from an injudicious selection of the site it soon failed. For a few years the annicut produced an increase in the cultivation, but the revenues deteriorated afterwards, and the work eventually breached. The repair of the work is estimated at 5,181 rupees, but from the faultiness of its site and the inconveniences which have since attended it, such an outlay would be a waste of public money, and the Government did not consider that the plan advocated by a late engineer officer, of recurring to the old plan of raising temporary earthen dams, would be attended with any effectual advantage.

Extract Minutes Cons., 11 Sept. 1846, No. 919.

3. The ryots of South Arcot appear very desirous of extending the cultivation of sugar-cane, and it is stated that 1,397 cawnies of waste land could, with a sufficient supply of water, be made productive, at an annual increase to the revenue of 10,000 rupees. Messrs. Parry & Co. are also prepared to establish a sugar factory and to engage the ryots to plant 300 cawnies of Mauritius sugar-cane, if assured that such an annicut will be constructed as will insure their crops against the chance of ruin, to which the breaking of the earthen bunds exposes them.

4. The position selected for the proposed new annicut, and recommended by the Board of Public Works, is satisfactory to all parties, and every security appears to have been taken that the work shall be solid and effective. His Lordship in Council, therefore, strongly recommends the undertaking to the favourable consideration of the Government of India, and requests that sanction may be granted for its prosecution at the estimated disbursement of Rs.14,806. 7. 8½.

5. As it is important that no check should be offered to the cultivation of sugar when

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* Dated 22 June 1846, No. 393; with one plan, one estimate, one sketch, one drawing for January 1842; two letters, with nine enclosures.

Trivady Annicut.

when the merchants are so eager to encourage its growth, and are so ready to do every justice to the ryots, his Lordship in Council further requests that the Orders of the Government of India may be communicated at an early period.

(signed) *E. P. Thompson*,
Secretary to Government.

Fort St. George,
11 September 1846.

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Home Department, No. 681.

From *G. A. Bushby*, Esq., Secretary to the Government of India, to *E. P. Thompson*, Esq., Secretary to Government, Fort St. George.

Sir,

No. 75.

I AM directed to acknowledge the receipt of your letter, No. 920, dated the 11th ultimo, with original enclosures, and in reply to state, that for the reasons therein alleged, and in compliance with the recommendation of the Most Noble the Governor in Council, the President in Council is pleased to sanction the proposed construction of a new annicut across the Guddalum River, in the district of South Arcot, at an estimated cost of Rs.14,806. 7. 8½.

(signed) *G. A. Bushby*,
Sec. to the Govt. of India

Fort William, 10 October 1846.

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EXTRACT Fort St. George Revenue Diary to Consultation, 6 June 1848.

No. 588.

From Sir *H. C. Montgomery*, Bart., Secretary to Government, to *G. A. Bushby*, Esq., Secretary to the Government of India.

Sir,

No. 11.

WITH reference to your letter, dated 10th October 1846, conveying sanction for the construction of a new annicut across the Guddalum River, in South Arcot, at a cost of Rs.14,806. 7. 8½, I am directed by the Right honourable the Governor in Council, to report, for the information of the Right honourable the Governor-general of India in Council, that in consequence of inaccuracies in the data of the original estimate, and certain unforeseen expenses, the above amount has been found inadequate, and that a further expenditure of Rs.3,052. 11. 9. has been authorized by this Government for the completion of the work, making the total cost Rs.17,859. 3. 5.

(signed) *H. C. Montgomery*,
Secretary to Government.

Fort St. George,
1 June 1848.

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EXTRACT Revenue Letter from Fort St. George, dated 23 Sept. (No. 72) 1848.

Diary, 6 June 1848, No. 9 to 11; Cons., 11 July 1848, Nos. 27, 28.

4. IN para. 8 of our despatch in this department, dated 15th November 1847, No. 54, we informed your Honourable Court that we obtained the sanction of the Government of India for the construction of a new annicut (the Trivady) across the Guddalum River, in South Arcot, at an estimated cost of Rs.14,806. 7. 8½.

5. We now transmit a further communication from the Board of Revenue, submitting a revised estimate for the completion of the annicut, amounting to Rs.17,859. 3. 5, and explaining, in detail, the necessity for this increase of expenditure. Under this representation we had no alternative but to sanction the extra outlay of Rs. 3,052. 11. 9. required for the work, and in doing so we expressed our dissatisfaction at the deficiencies of the original estimate. The Supreme Government to whom we reported our proceedings have, it will be seen, confirmed this additional grant.

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EXTRACT Fort St. George Revenue Consultation, 11 July 1848. Trivady Annicut.

No. 458.

From *G. A. Bushby*, Esq., Secretary to Government of India, to Sir *H. C. Montgomery*, Secretary to the Government, Fort St. George.

Sir,

I AM directed to acknowledge the receipt of your letter, No. 588, dated 1st instant, and in reply, to state that for the reasons therein alleged, the Governor-general in Council confirms the sanction granted by the Right honourable the Governor in Council, for a further expenditure of Rs.3,052. 11. 9, for the completion of the new annicut authorized to be constructed across the Guddalum River in South Arcot, by my letter of 10th October 1846, at an estimated cost of Rs.14,806. 7. 8½. No. 27.

(signed) *G. A. Bushby*,
Secretary to the Government, India.

Fort William,
17 June 1848.

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EXTRACT Revenue Letter to Fort St. George, dated 22 August (No. 9) 1849.

11. WE observe that this work, from which an increase of revenue to the extent of 10,000 rupees per annum is expected, has received the sanction of the Government of India.

Letter from, dated 15 November (No. 54) 1847; para. 8; also paras. 4 and 5 of Letter dated 22 September (No. 72) 1848; Construction of an annicut across the Guddalum River, in South Arcot, authorized, at an estimated cost of Rs. 17,859. 3. 5.

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## Vellaur Annicut.

Vellaur Annicut.

EXTRACT Revenue Letter from Madras, dated 28 April (No. 34) 1848.

7. IN para 7 of our letter of the 15th November 1847, No. 54, we informed your Honourable Court of the additional estimates sanctioned by us for minor works of irrigation, connected with the Vellaur Annicut, which were recommended by the Board of Revenue for immediate execution. We now transmit copies of further communications from the Board reporting the sums disbursed in excess of the authorized outlay, and soliciting sanction to a supplemental estimate for completing the annicut, and for sundry improvements and subordinate works amounting to Rs. 15,305. 10. 3. Vellaur Annicut in South Arcot; Cons, 28 March 1848.

8. It will be observed, that in addition to the sums already authorized, and to the further amount applied for by the Board, there will still be Rs. 16,448. 12. 10. expended without sanction, thus making altogether a sum of Rs. 98,709. 0. 6. for a work originally estimated to cost only Rs. 56,877. 5. 1, and sanctioned by your Honourable Court at this charge.

9. In sanctioning the additional sum requested by the Board for the completion of the annicut, which we were induced to do under the expectation that it would ultimately prove a profitable work, we recorded our strong censure of the very unsatisfactory manner in which the plan and estimate were prepared by the local professional officers, and further remarked that the Board were not wholly exonerated from blame in having submitted them to Government without sufficient scrutiny. We also desired the Board to require the civil engineer to furnish, without delay, a full explanation of the causes of the large excess of expenditure, and to lay it before Government, with their own opinion upon it.

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illaur Annicut.

EXTRACT Revenue Letter to Fort St. George, dated 22 August (No. 9) 1849.

Letter from, dated 15 November (No. 54) 1847: para. 7; also paras. 7 to 9 of Letter dated 28 April (No. 34) 1848; Repairs to works of irrigation in certain districts authorized.

7. THE only point which requires observation in these proceedings is that which relates to the Vellaur Annicut in South Arcot.

8. In our despatch of the 24th December (No. 32) 1844, we sanctioned the construction of an annicut and bridge across the Vellaur River, at an estimated cost of Rs. 63,599. 6. 7, it now appears that more than that sum has been already expended, and that a total expenditure of Rs. 98,709. 0. 6. will be required to complete the work.

9. You have very properly called on the Board of Revenue to require from the civil engineer a full explanation of the causes of this large excess of expenditure above the estimate, and to lay it before you, with their own opinion on it.

10. It is satisfactory to us to observe, that even at this enhanced cost, the work is likely to be a profitable one, as the Collector of South Arcot reports that the increase of revenue in the talook of Boonagherry in consequence of

In Fusly 1255 - Rs. 7,512
In Fusly 1256 - 26,723

the construction of the annicut, had been no less than 34,235 rupees in the two last Fuslies.

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Dams across the Cauvery and Vennaar.

## Dams across the Heads of the Cauvery and Vennaar.

EXTRACT Revenue General Letter from Madras, dated 20 Nov. (No. 83) 1848.

Diary Cons., 22 August 1848, Nos. 1, 2; 3 Oct. 1848, Nos. 42, 43; 5 Sept. 1848, Nos. 35, 36.

Para. 7. AT our consultation of the 22d August last, the Board of Revenue laid before us a correspondence with the revenue and engineer authorities of Tanjore, together with a plan and estimate for the construction of regulating dams at the point of separation of the Cauvery and Vennaar Rivers in that district, at a cost of Rs. 49,924. 3; and with reference to the object and advantages of the proposed works, strongly supported the recommendation of the local officers in favour of the project.

8. Concurring in opinion with the Board that the plan was well adapted to the object in view, of controlling and regulating the respective supplies of the rivers as may be required for irrigation, we recommended the proposition to the Government of India, and obtained their sanction for the estimated outlay.

9. It should be observed, that by the execution of the works, it is anticipated the necessity for annual remissions will be greatly avoided, and the expenses now annually incurred for temporary works will be reduced, so that the cost of the dams, though considerable, will be early repaid by their operation.

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### No. 888.

From Sir *H. C. Montgomery*, Bart., Secretary to Government, to *G. A. Bushby*, Esq. Secretary to the Government of India.

Sir,

No. 2.

Para. 1. I AM directed by the Right honourable the Governor in Council to request you will submit for the consideration of the Government of India the accompanying copy of a letter* from the Board of Revenue in the Department of Public Works, with its several original enclosures, on a proposition to construct regulating dams across the heads of the Cauvery and Vennaar Rivers, in the district of Tanjore, at a cost estimated at Rs. 49,924. 3.

* Dated 3 Aug. 1848, No. 563, with 10 enclosures and 2 plans.

2. The object and advantages of the proposed works are too fully stated in the correspondence submitted, to need recapitulation. It may, however, be here briefly observed, that the Cauvery and Vennaar are the two branches by which nearly all Tanjore is irrigated; and the proposition to construct dams at the point where their waters separate, will place in the hands of the local officers the power of controlling and regulating the supplies of the rivers at low water, by which it is anticipated the necessity for annual remissions will be avoided, and the expenses now annually incurred for temporary works will be reduced; so that the cost of the proposed dams, though considerable, will be early repaid by their operation.

3. In

3. In the opinion of Government the plan appears to be well adapted to the proposed end of regulating the supply of the stream of each of the rivers as may be required for irrigation; and as it is strongly supported by the whole of the authorities who have been consulted respecting it, and by the Board of Revenue, and chief engineer, who is the professional adviser of the Board, the Governor in Council recommends the work for favourable consideration, and requests sanction for the expenditure. Dams across the Cauvery and Vennaar.

4. I am desired also to bring to the notice of the Government of India, that the principle of the proposed work is not untried in Tanjore. The annicuts built in 1836 and 1846 at the head of the island of Seerungam, where the Coleroon branches from the Cauvery, for the object of controlling the river and regulating the supply of water to Tanjore and Trichinopoly, have been found fully to answer the expectations held out, of the advantages to be derived from their construction.

(signed) *H. C. Montgomery,*
Secretary to Government.

Fort St. George, 17 August 1848.

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## No. 720.

From *G. A. Bushby*, Esq., Secretary to the Government of India, to Sir *H. C. Montgomery*, Bart., Secretary to Government, Fort St. George.

Sir,

I AM directed to acknowledge the receipt of your letter No. 888, dated the 17th ultimo, with enclosures; and in reply to inform you, that the Governor-general in Council is pleased to sanction the proposition of the Board of Revenue in the Department of Public Works at Madras, to construct regulating dams across the heads of the Cauvery and Vennaar Rivers, in the district of Tanjore, at an estimated cost of Rs. 49,924. 3. No. 42.

2. His Lordship in Council trusts, however, that careful provision will be made by the Government of Fort St. George for the exercise of their power discreetly and justly by the local officers, in regulating the respective supplies of these rivers.

(signed) *G. A. Bushby,*
Sec. to the Govt. of India.

Fort William,
16 September 1848.

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EXTRACT Revenue Letter to Fort St. George, dated 22 August (No. 9) 1849.

38. ALTHOUGH the cost of these works is considerable, we observe that you entertain a confident expectation that it will soon be repaid by the increased revenue that will arise from their operation. Letter from, dated 20 November (No. 83) 1848; paras. 7 to 11; estimates amounting to Rs.60,311. 11. for improvements to works of irrigation in Tanjore, sanctioned.

39. The principal portion of the expenditure, viz., 49,924 rupees, for constructing regulating dams at the point of separation of the Cauvery and Vennaar Rivers, has already received the sanction of the Government of India.

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## Kistna Annicut, at Bezoorah. Kistaa Annicut.

EXTRACT Revenue Letter from Fort St. George, dated 20 Nov. (No. 83) 1848.

15. WE take this opportunity to submit, for the information of your Honourable Court, copies of the reports, with plans and estimates, laid before us by the Board of Revenue, relating to a project drawn up by Captain Lake, late civil engineer of the second division, assisted by Major Cotton, for the construction of an annicut across the Kistnah River at Bezoorah, for the benefit of the Guntoor and Masulipatam Cons., 5 Sept. 1848, Nos. 31, 32.

Kistna Annicut.

lipatam districts, estimated at a cost of 5,02,639 rupees, as the present outlay; viz.

| | |
|---|---|
| For annicut, &c. - - - - - | Rs. 4,02,639 |
| For distribution of water - - - | 1,00,000 |

the eventual outlay requisite to give full effect to the annicut being estimated at 17 lacs of rupees.

16. Your Honourable Court will observe, that at the suggestion of the Board, we have referred the project to a committee of professional officers, who have been instructed to assemble on the spot, in conjunction with the Collectors of the two districts, early in the month of December, and carefully examine the plans and estimates both of expenditure and return, and report fully their opinion of them, of the feasibility of the project generally, and of the eligibility of the proposed site, or the advantages over it of any other they may consider preferable. On receiving their report, we shall bring the subject fully under the consideration of your Honourable Court.

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EXTRACT Revenue Letter to Fort St. George, dated 22 August (No. 9) 1849.

Letter from, dated 20 November (No. 83) 1848: (Paras. 15 and 16). Proposed construction of an annicut across the Kistnah River, at an estimated cost of Rs. 5,02,639, noticed.

42. WE shall defer any consideration of this project until we shall have received the report of the committee which you have directed to assemble on the spot where the annicut is proposed to be constructed, for the purpose of examining the plans and estimates. You will instruct the Board of Revenue in the Department of Public Works, to be careful to avail themselves fully of the experience which has been gained during the progress of a similar work on the Godavery River; and we trust that your Government will satisfy yourselves, before submitting the proposal for our sanction, that all practicable means have been taken for avoiding errors and miscalculations similar to those which have occurred with reference to the latter work.

43. We further desire that the whole of the proceedings may be submitted to the Government of India, and their opinion may be obtained previously to the proposal being submitted for our sanction.

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Revenue Department, No. 37, of 1849.

To the Honourable the Court of Directors of the East India Company.

Honourable Sirs,

Para. 1. IN continuation of paras. 15 and 16 of our letter in this department, dated 20th November 1848, No. 83, we have now the honour to submit for your information, copy of the report of the committee appointed by us, "on the feasibility of constructing an annicut across the Kistna River, and thereby promoting the resources and welfare of the districts of Masulipatam and Guntoor," as well as an extract from the Minutes of Consultation, dated 20th July 1849, which will inform your Honourable Court of our views and proceedings in respect of this work.

Dated, 26 January, in Board's Letter, 30 April 1849; in Cons. 24 July 1849, Nos. 17 to 21. No. 680.

2. Your Honourable Court will perceive that the project promised to be highly beneficial, not only with regard to augmentation of the revenues of the two districts, but as a means of preventing the calamities of famine with which the northern Circars (and Guntoor in particular) have been so grievously afflicted.

3. We have submitted our earnest recommendation in favour of the project to the Government of India, whose views will be laid before your Honourable Court as soon as they are communicated to us.

We have, &c.
(signed) *Henry Pottinger.*
*D. Eliott.*

Fort St. George, 20 July 1849.

Kistna Annicut.

Revenue Department, No. 681.

From Sir *H. C. Montgomery*, Bart., Secretary to Government, to *F. J. Halliday*, Esq., Secretary to the Government of India.

Sir,

Para. 1. I AM directed by the Right honourable the Governor in Council to transmit to you, for the purpose of being submitted for the consideration of the Government of India, copy of a report* of a committee of engineer and revenue officers appointed by this Government "on the feasibility of constructing an annicut across the Kistna River, and thereby promoting the resources and welfare of the two districts of Masulipatam and Guntoor," together with the plans and estimates, &c., with which it was accompanied.

* Dated 26 Jan. 1849, with estimate and eight plans, as per annexed list.

2. I am also desired to transmit copies of the minutes recorded on the project by the Right honourable the Governor and the Honourable Mr. Eliott, and to request the particular attention of the Supreme Government to them, as containing the views of this Government in detail on all the points touched upon by the committee, and an extract from the Minutes of Consultation of this day's date, as containing a summary of those views.

Dated 18 June and 4 July 1849. No. 680.

3. The Governor in Council requests that the original papers, surveys, &c., transmitted with this letter may be returned when no longer required.

(signed) *H. C. Montgomery*,
Secretary to Government.

Fort St. George, 20 July 1849.

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MINUTE.

Captain *Lake's* project for an Annicut across the Kistnah River, with former Proceedings, and Report of the Committee appointed by Minutes of Consultation of the 5th of September 1848.

ON first reading Captain Lake's report, with those of the Collectors of Guntoor and Masulipatam, which were submitted to Government with the proceedings of the Board of Revenue of the 7th of August 1848, the impression I imbibed (and of which I made a note at the time) was, that the estimate framed by the former officer was far below the probable expense. This impression has, I see, been fully corroborated by the report of the committee, which has calculated the outlay on the annicut alone at (in round numbers) seven and a half lacs of rupees, being, as nearly as possible, seven-eighths (⅞) in excess of Captain Lake's first computation.

4,00,000
7,50,000
Rs. 3,50,000

It was not, however, to the annicut alone that my apprehension of the inadequacy of Captain Lake's estimates extended. I fear he has under-rated the cost of all the subsequent improvements intended to give the annicut "full effect." On reference to his report, it will be observed that he allows only 1,000 rupees a mile for making roads, which seems to me far below the mark, and after the charges which I have seen sanctioned for channels, sluices, embankments, &c., in other places, I can place but little confidence in the sums he has put down.

Para. 31.

I am aware that the sums detailed in the para. which I have cited point to ulterior measures, and I find that the Board of Revenue in the Department of Public Works, in their proceedings handing up Captain Lake's report say, "probably not more than one lac (independent of repairs) will be required for the actual distribution of the waters upon the lands, exclusive of the delta, for some years. Thus the proposed present outlay will be—

Para. 30.

| | Rs. |
|---|---|
| "For Annicut - - - - - - - - - - | 4,02,639 |
| "Distribution of water - - - - - - - - | 1,00,000 |
| | Rs. 5,02,639" |

But this is avowedly only a conjecture, and, moreover, does not include the delta, of the extent of which (in comparison with what it does include) I am necessarily ignorant. With these uncertainties, I confess it appears to me to be impossible to pronounce, with any degree of confidence, whether the annicut, when perfected according to Captain Lake's most enlarged plan, will have cost 20 or 30 lacs of rupees, and even to render it available on the modified scale described by the Revenue Board, I do not think or can reckon on a less outlay than one moiety of the first-named sum, viz., 10 lacs of rupees.

I trust it will not be imagined from the preceding remarks that I am wishing or meaning to throw cold water on the project; on the contrary, no one can be more anxious for its completion, or more alive to the advantages and blessings which it is calculated to diffuse

Kistna Annicut.

by its operations than myself, but I feel that it is right not to allow my judgment to be biassed by my anxiety to see the project carried out, and therefore I have, after mature and lengthened reflection, candidly stated my opinions, to which I will only add, that laying aside the question of the undoubted benefit that must accrue in due time to the State by a great increase of revenue, I esteem it to be a positive duty which the British Government owe to the inhabitants of the districts which the annicut is meant to fertilize, to adopt a measure which, under God's blessing, will for ever avert the horrors of famine, under which they have before so deplorably suffered.

I have only to further state, that from a careful consideration of all that is recorded in the papers before me, I entertain no doubt of the feasibility of Captain Lake's plan, and that I am likewise satisfied that the point which that officer has selected for the site of the annicut is the proper (or, perhaps, I might say only) one; I accordingly recommend that the whole of the documents and plans which are now circulated be transmitted to the Honourable Court, with the earnest recommendation of this Government in favour of the project, but at the same time accompanied by an intimation, that should it even be fully approved and sanctioned, no steps will be taken for commencing on the work until the Godavery Annicut shall not only have been completed, but shall have stood the test of at least one season of floods and inundations.

18 June 1849. (signed) *Henry Pottinger.*

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## Minute of the Honourable *D. Eliott.*

Report of Committee upon Captain *Lake's* project of an Annicut across the Kistna.

General feasibility of the project.

I think the committee have satisfactorily demonstrated "the general feasibility of the project," that is to say, that the construction of an annicut across the Kistna is quite practicable, and that it will provide certain means of irrigation to very extensive tracts on both sides of the river, in the districts of Masulipatam and Guntoor.

Site.

I think also that they have shown good grounds for preferring "the site" proposed by Captain Lake, viz., Bezwarah; the choice appears to lie between Bezwarah and Joopoody, a place 11 or 12 miles higher up the river. The chief disadvantage that occurs at Bezwarah is the narrowness of the channel, and the consequent depth and force of the stream, the velocity of which is increased by this cause from three to five miles the hour. This presents considerable difficulties, but the committee are of opinion that they may be obviated, and pronounce confidently, that with due care, the work may be constructed safely, notwithstanding the impediments adverted to. It is to be observed, that while the narrowness of the river at Bezwarah is a disadvantage in one view, it is an advantage in another, for the length of an annicut on this site will be about the half of one at Joopoody, or any other favourable site, and the facility of construction, the committee observe, is great in inverse proportion to the length; in other respects the advantages to be found at Bezwarah are very important, not only with a view to the construction of the annicut itself, but with reference to the works necessary to give it effect. I advert particularly to the facility of obtaining the requisite materials for building the annicut, and to the great saving of expense which will arise from the heads of the great channels for irrigating the country on both sides of the river being placed at Bezwarah, instead of 12 miles higher up, a saving not only in the original cost of forming the channels but in the annual charge for keeping them in repair.

Committee's Report, p. 36. Report, p. 21. Appendix (C.) Specification.

An independent advantage to be gained by fixing the site at Bezwarah is, that being on the line of the great northern road, it is "convenient for the purposes of communication, whether by the annicut or by a bridge over the work." Captain Lake strongly recommended a bridge, and the plan provides for piers upon which a bridge may eventually be erected at a comparatively small cost; but without a bridge, the annicut, during a good part of the year, would afford a passage, and save a great deal of obstruction which those who use the road now meet with at this point.

Plan, p. 37.

P. 24.

The committee have followed generally the design of Captain Lake, with modifications adapted to the varying section of the river, and with the important alteration of an addition of four feet to the height of the annicut, raising it from 12 to 16 feet. The height proposed by Captain Lake would be sufficient, the committee think, to give a command of water for all the land included in the revenue statements which they submit (to show the expected increase of cultivation and revenue), and "probably far more," but not for the whole tract delineated in Captain Lake's map, for the supply of which, they are of opinion, it ought to be made sufficient. It is to render it effective to this extent that the additional height is recommended.

With proper preparation the committee think that the annicut might be built in the first year to the height (above the summer water) of five feet throughout, and the under sluices to a height sufficient to serve in the second year as drains during the progress of the rest of the construction. The full height of the annicut would not be attained till the third year, nor, perhaps, even then, should circumstances render it desirable to maintain a lower height for any period; "such arrangements, however," they observe, "cannot be predetermined, and must be left to the judgment of the executive officer." I take it, that at any rate the annicut could be built up within the third year to the height proposed by Captain Lake (three-fourths of that proposed by the committee), so as to give a command of water in the fourth year sufficient for the irrigation of all the land expected to be prepared for wet cultivation as soon as the means are provided.

In

In reviving the plan, the committee "have been guided by the highly important experience obtained in the construction of the Godavery Annicut," which has also afforded them the most valuable assistance in preparing their estimate of the cost of the work, which very greatly exceeds that of Captain Lake. The excess is owing partly to the alterations in the plan, giving increased length to the river section proposed for the site of the annicut, and increased height (one-third) to the annicut, as above-mentioned, but chiefly to the provision of what is called a plant, which the experience of the Godavery works has shown to be necessary, the charge for this alone being estimated at 1,11,407 rupees, whereas Captain Lake's estimate allowed only 20,000 rupees, under the head of "Sundries," to meet all expenses of the kind. Again, the revised estimate allows 70,000 rupees, instead of 36,693 rupees, for contingencies; and 68,550 rupees, instead of 20,000 rupees, for superintendence, providing for the employment of a civil engineer, with two first and two second assistants, for three years, "though it is not certain that so many extra officers will be required." Further, the revised estimate adds from 50 to near 100 per cent. to the prices assumed by Captain Lake.

Estimate, p. 40.

| | |
|---|---|
| Estimate of Committee - - - | 7,49,165 |
| Captain Lake - - - - - | 4,02,639 |
| Excess - - | Rs. 3,46,526 |

Appendix (C.) to Committee's Report.

*See* Detail in Appendix to Estimate.

Report, para. 45, pay of Civil Engineer and Four Assistants for Three Years - - - 49,960
Subordinate Superintendence - - 21,600
Rs. 68,560

Of the plant, which forms so large an item in the new estimate, being more than one-seventh of the whole amount, the committee believe that "no inconsiderable portion may be provided from that of the Godavery Annicut;" but they make no allowance on this account.

On the whole, it seems to me that the committee have formed an estimate which well entitles to the credit they claim of "having done all in their power to prevent disappointment in the cost of the work," although "they cannot undertake to certify the correctness of calculations so liable to be disturbed by contingencies."

Their estimate, however, applies only to the annicut, and the sluices, locks, &c., immediately connected therewith, without the "Detail Irrigation Works," which Captain Lake estimated roughly at six lacs; and besides the items of embankments, roads, bridges, &c., amounting to seven lacs more. It is very likely that the estimate for "Detail Irrrigation Works" is under the mark, and I would give a margin of at least a lac to meet deficiencies. The last estimate of seven lacs includes 3,00,000 rupees for road, 1,00,000 rupees for the proposed bridge over the annicut, 1,00,000 rupees for an aqueduct to Deevy pergunnah, &c., and 2,00,000 rupees for embankments. Possibly a part of the last item may be connected with the "Detail Irrigation," but all the rest may be dismissed from consideration at present. Supposing that half of the sum allowed for embankments, or one lac may belong to the works for carrying on the detail irrigation, and adding it to the six lacs under that head, with one lac more for deficiencies in the estimate, the amount will be 8,00,000 rupees, which, with the estimated cost of the annicut, will make a grand total of 15,49,165 rupees.*

| | |
|---|---|
| 3,00,000 | |
| 1,00,000 | |
| 1,00,000 | |
| Rs 5,00,000 | |

*Note.*—300 miles of road at 1,000 rupees per mile. This appears a small allowance, but Captain Lake explains (p. 31.) that "as all the heavy traffic will be by means of the channels, he has only provided for such roads as will be required for foot passengers, light conveyances, cattle, &c."

| | |
|---|---|
| * Detail Irrigation Works as above - | 6,00,000 |
| Deficiencies in estimate - - - | 1,00,000 |
| Embankments - - - - | 1,00,000 |
| | 8,00,000 |
| Annicut, &c. - - - | 7,49,165 |
| Grand Total - - | Rs. 15,49,165 |

The cost of the annicut will be distributed over three years, probably in something like the proportions stated in the margin. The committee observe, with regard to the estimate for detail irrigation, that the amount "will be very gradually expended." This expenditure, of course, will not commence till the annicut is well advanced, probably not till the beginning of the second year. In that and the following year, perhaps, four lacs may be expended, leaving the remaining four to be employed gradually as the demand for extended irrigation arises, say at the rate of one lac per annum. In this way the whole amount of 15½ lacs will be distributed over seven years, the amount expended in any one year probably not exceeding four lacs.†

| | |
|---|---|
| 1st Year, including plant - - - - | 3½ |
| 2d " " - - - - | 2 |
| 3d " " - - - - | 2 |
| Lacs | 7½ |

| | Annicut. | Detail Irrigation. |
|---|---|---|
| † 1st Year - - | 3½ | |
| 2d " - - | 2 | 2 |
| 3d " - - | 2 | 2 |
| 4th " - - | - | 1 |
| 5th " - - | - | 1 |
| 6th " - - | - | 1 |
| 7th " - - | - | 1 |
| Returns. | | 8 |
| A. and B. | | 7½ |
| Lacs | | 15½ |

I come now to the consideration of "the returns." The committee have carefully revised and checked the statements formerly furnished, and submit the results in fresh statements appended to their report, which they think correctly exhibit "the profits that may reasonably be expected from an annicut within the limits of any sites or heights that have been or are likely to be suggested," *à fortiori* from an annicut with the command which they propose to give to that recommended by them, by the addition of four feet above the height intended by Captain Lake.

According to these statements, the increase of revenue which may be expected in the Masulipatam district in the first year after the annicut becomes effective, from the more perfect irrigation and greater productiveness of rice lands now cultivated, from the cultivation of rice lands now left waste from want of water, and from the extension of irrigation to lands now dry, which will thereafter bear rice crops, is 1,41,782 rupees; which will be

Kistna Annicut.

gradually augmented, till, in the fourth year, it amounts to 2,67,882 rupees. This is the increase expected from lands held by ryots directly from Government, besides what may be obtained from zemindars for the improvement of the lands included in their estates, and from enamdars for the same.

The estimate for Guntoor gives 3,28,718 rupees as the increase to be expected from lands at present cultivated by irrigation, at the standard of the best yield, without additional assessment; from waste lands brought under wet cultivation, and from lands now under cultivation made capable of bearing rice crops, with additional assessment, at the survey rates, upon the land at present cultivated, the amount would be raised to 4,01,618 rupees.

A further sum of 62,559 rupees is added as possible, but doubtful; making a total of 3,91,277 rupees, without enhancement of assessment, or 4,64,177 rupees, with enhancement.

| | |
|---|---|
| Masulipatam - - - - - | 2,67,882 |
| Guntoor - - - - - - | 4,64,177 |
| | Rs. 7,32,059 |

From Ruttepaud, Rs. 62,559.

| | |
|---|---|
| Guntoor minimum - - - - | 3,28,718 |
| Profit expected in 1st year in Masulipatam - - - - - - | 1,41,782 |
| | Rs. 4,70,500 |

The maximum expectation from the two districts, when the annicut and the auxiliary works have been brought into full operation, is 7,32,059 rupees. The minimum expected from Guntoor, excluding the item considered doubtful, and making no allowance for additional assessment, together with the estimate of profit in the first year only from Masulipatam, 1,41,782 rupees, without any allowance in either district for payments from zemindaries and enams, for water drawn for their irrigation from channels supplied by means of the annicut, amounts to 4,70,500 rupees. The maximum expectation, as above, if it were realized, would give a return of 48 per cent. upon the capital expended; assuming it at 15½ lacs, the maximum would give 30 per cent. Having carefully considered the grounds of the committee's estimates, I feel assured that, within the time during which the expenditure will be probably going on, a permanent increase of revenue will be gained from extended and improved cultivation, which will not be short of 30 per cent. upon the cost, at the least, and will probably much exceed it, supposing the command of the annicut to be extended by increasing its height now designed.

Thus it appears that the projected work promises to be a highly profitable one by creating additional revenue; still more probably by saving the public finances from a recurrence of the enormous losses of revenue caused by the dearths which have afflicted the districts of Masulipatam and Guntoor. But, independently of this consideration, I heartily concur in the sentiments expressed by the Right honourable the President, that it is "a positive duty which the British Government owe to the inhabitants of the districts which the annicut is meant to fertilize, to adopt a measure which, under God's blessing, will for ever avert the horrors of famine under which they have before so deplorably suffered."

Para. 50.

The committee observe, that they have confined their estimate of returns to those immediately or early expected from the known resources of the districts, and the disposition of the ryots; they remark, however, that "the annicut as proposed by them will command in Guntoor about half a million of acres, and the same in Masulipatam, of Government and other lands, exclusive of Deevy, a zemindary under the Court of Wards; and that the supply of water from this tract will be most abundant during the season of cultivation of paddy, and very considerable even in the lowest state of the river; so that there is every reason to believe that the whole will eventually be cultivated." This expectation, however, depends upon other conditions besides a sufficient supply of water, viz. a sufficient supply of labour and capital, which can scarcely be forthcoming within many years, and a ready market for the increased produce, with remunerating prices. On the head of prices, it is obvious to remark, that the abundance which the work under consideration is calculated to produce will tend to make rice cheaper; and if there could be found means at once for the cultivation of the whole of the tracts indicated in the remarks of the committee just quoted, extending to a million of acres, the immediate result would be a glut in the market, and a loss to the cultivators by their crops being unsaleable.

4 July 1849. (signed) *D. Eliott.*

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## Revenue Department, 8 January (No. 1) 1851.

### Our Governor in Council at Fort St. George.

Kistna Annicut: Letter dated 20 Nov. (No. 83) 1848, paras. 15 & 16; Letter dated 20 July (No. 37) 1849; Letter from the Government of India, dated 18 August (No. 10) 1849.

Para. 1. THE letters and paragraphs referred to in the margin, relate to a plan for the construction of an annicut across the River Kistnah, for the purpose of irrigating portions of the Guntoor and Masulipatam districts, which you have submitted for our sanction.

2. This project has been at various times under the consideration of Government since the year 1792, and although circumstances have hitherto prevented its being carried into effect, its feasibility and the great advantages which it would confer on the before-mentioned districts, seem never to have been doubted. One of the principal considerations which deterred the Government from carrying

Kistna Annicut.

carrying the plan into execution, was probably that both Guntoor and Masulipatam had been permanently settled, and there would have been difficulty in arranging with the zemindars for the reimbursement of the necessarily large outlay. That obstacle is, however, now removed, the whole of Guntoor and a considerable part of Masulipatum having reverted to the possession of Government.

3. The present scheme is founded on a report by Captain Lake, the civil engineer of the division, dated the 3d July 1847. It had been examined and approved by Major A. Cotton, whose experience in such works in Tanjore is very extensive, and who was at the time engaged in superintending the construction of the annicut across the Godavery River.

4. The plans and estimates were submitted to your Government by the Board of Revenue in the Department of Public Works, with a strong expression of opinion in favour of the undertaking. Considering, however, that so important a work should not be commenced without the most rigid scrutiny, you appointed Major A. Cotton, Captain Buckle, Captain Bell and the Collectors of Masulipatum and Guntoor, a committee for that purpose, directing them to assemble at the site of the proposed annicut, and there to examine carefully the plans and estimates both of expenditure and return, and report fully their opinion of them, of the feasibility of the project generally, and of the eligibility of the proposed site, or the advantages over it of any other they might consider preferable.

5. The report of the committee is dated the 26th January 1849, and was submitted to you on the 30th April 1849. After having made a most careful examination into the whole question, the committee close their report with the following paragraphs:

"53. In conclusion, the committee desire to record their conviction of the very great importance of the proposed work, and of its early sanction. That it would, in all human probability, avert the possibility of a destructive famine in this region, seems an argument of the greatest possible weight, independent of profitable expectations, which are themselves most promising; again, its early sanction is important to meet the expectations of the ryots and the contingency of drought, and to hasten the profitable returns, in addition to which, the sooner the valuable experience acquired at the Godavery is brought to bear upon the Kistnah project, the more effective it will be.

"54. The loss of revenue by the famine of 1832–33 is estimated at least at one crore; the loss of property at a far greater amount; of life at 2,00,000 or 3,00,000, and of cattle at 2,00,000 (at the lowest) in Guntoor alone, besides the ruin of 70,000 houses. These facts will, the committee believe, bespeak more effectively than the most laboured arguments, the favourable attention of the Honourable Court of Directors to the project now submitted, as one of indispensable and urgent necessity. The famine of the Northern Circars in 1833, and that of the North West Provinces of India at a later period, prove with irresistible force that irrigation in this country is properly a question, not of profit, but of existence.

"The amount of the revised estimate is Rs.7,49,165. 4. 2."

6. The question has again been carefully considered by your Government, and you have satisfied yourselves, that adding to the estimate of 7½ lacs given by the committee for the annicut alone, the sum of 8 lacs as the probable amount required for "detail irrigation works and embankments," the total cost of the work when complete will not exceed 15½ lacs. The committee estimate "the advantages of the work from the two districts" (by which terms, however, they mean the increase of revenue to be gained by the Government, alone, without including the benefits to be derived by the ryots), when the annicut and auxiliary works shall have been brought into full operation, at 7,32,059 rupees per annum, or 48 per cent. on the capital expended according to the above estimate. Without going the full length of the committee's expectations, you state that you feel assured that "a permanent increase of revenue will be gained from extended and improved cultivation, which will not be short of 30 per cent. at the least."

7, "The projected work," you observe, "thus promises on the lowest estimate to be a highly profitable one, by creating additional revenue, and it will be still more so probably, by saving the public finances, and the inhabitants from a recurrence of the enormous losses caused by the dearths which have afflicted the districts of Masulipatam and Guntoor."

8. You accordingly resolved to transmit all the papers to the Government of India with your earnest recommendation in favour of the project. That authority,

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n addressing us on the subject, state that the contemplated work has their entire approval, and submit their strong recommendation that the plan proposed by the committee should meet with our favourable consideration.

9. The project has thus been submitted to the examination of those whose scientific acquirements, general experience and local knowledge render them the most competent to form an opinion as to its merits, and has received the strongest recommendation from those authorities under whose consideration it has passed. We have carefully examined the papers submitted to us, and have satisfied ourselves that every possible means have been adopted to obtain the fullest assurance of the practicability of the proposed undertaking, and that the greatest care has been taken to prevent future disappointment in respect to the estimates, both of cost and returns. Under these circumstances, and concurring fully in the observation of Sir Henry Pottinger, that independently of the undoubted benefit which must in due time accrue to the State by a great increase of revenue, it is "a positive duty which the British Government owes to the inhabitants of the districts which the annicut is meant to fertilize, to adopt a measure which, under God's blessing, will for ever avert the horrors of famine under which they have before so deplorably suffered," we readily give our cordial sanction to the undertaking, and trust that matters will be so arranged that the establishment employed on the Godavery Annicut may not be broken up and dispersed, but be made fully available for the works on the Kistnah.

We are, &c.

London, 8 January 1851. (signed) *John Shepherd*,
*J. W. Hogg*,
&c. &c.

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Annicut across the Pennaar.

## Annicut, serving as a Bridge across the Pennaar.

Revenue Department (No. 497.)

From Sir *H. C. Montgomery*, Bart., Chief Secretary to the Government of Fort St. George, to *J. Dorin*, Esq., Secretary to the Government of India.

Sir,

Letter from the Board of Revenue, Department of Public Works, No. 97, dated 4 February 1850, with correspondence, plans and estimate; Letter dated 7 April 1851, No. 337, with correspondence; Extract Minutes Cons., 27 May 1851, No. 496.

I AM directed by the Right honourable the Governor in Council to request you will bring under the consideration of the Government of India, the accompanying correspondence, with plans and estimate relating to a project for building an annicut across the Pennar River, in the Nellore district, the cost of which is estimated at Rs.85,547. 4. 6.

2. The Governor in Council requests attention to the views recorded upon the subject by this Government, in an extract from the Minutes of Consultation of this day's date, and to solicit, with reference thereto, the sanction of the Government of India to the proposed outlay.

I have, &c.

Fort St. George, 27 May 1851. (signed) *H. C. Montgomery*, Chief Secretary.

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No. 1,207.

EXTRACT from the Proceedings of the Honourable the President of the Council of India in Council in the Financial Department, under date 18 July 1851.

READ a despatch from the Government of Fort St. George, No. 497, dated 27th May last, with enclosures soliciting sanction to an outlay of Rs.85,547. 4. 6, for the construction of an annicut across the Pennair River, in the Nellore district; the work being intended to secure and extend the cultivation of a large tract of country, besides answering the purpose of a bridge.

Annicut across the Pennaar.

RESOLUTION.

The President in Council is satisfied that this work must be attended with considerable advantage to the public revenue, on the assumption that the calculations respecting it are grounded on accurate data, but the outlay of Rs. 85,547. 4. 6. exceeds the limit to which the authority of this Government to sanction expenditure has been restricted by the Honourable the Court of Directors, and he therefore resolves that the project shall be recommended to the favourable consideration of the Honourable Court.

ORDER.

Ordered, that the despatch from the Government of Fort St. George and its original enclosures, together with a copy of the foregoing Resolution, be forwarded to the Home Department, with a view to the proposition being submitted for the consideration and orders of the Honourable the Court of Directors; that department apprising the Government of Madras of the course that has been adopted.

Ordered also, that copies of the original papers be kept for record in this office.

(A true extract.)

(signed) *J. Dorin*,
Secretary to Government of India.

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Revenue Department, 18 February (No. 2) 1852.

Our Governor in Council at Fort St. George.

Para. 1. IN a letter, dated the 12th August last (No. 10), the Government of India have submitted for our favourable consideration, a project laid before them by your Government for the construction of an annicut (to serve likewise as a bridge) across the Pennair River in the Nellore district, at a cost of Rs. 85,547. 4. 6.

2. This work is intended to secure and extend the cultivation of a large tract of country. It is stated that on the average of the last five years land bearing an assessment of 13,094 rupees has been annually abandoned, solely from the want of water to irrigate it. This amount would be at once secured by the execution of the proposed work; but it is further confidently anticipated that by increased cultivation, the ultimate gain to the revenue would not fall short of 20,000 rupees.

3. Relying on the correctness of your estimates, both of expenditure and of return, we accord the sanction solicited by you and by the Government of India. Although in authorizing expenditure on works of this description, we of course look to the direct return which they are calculated to produce in the shape of an increase to the land revenue, we are also mainly influenced by a consideration of the great advantages which they afford to the cultivators, by extending the field of their labour, securing to them its fruits, and adding to its productiveness.

We are &c.
(signed) *J. Shepherd*,
*J. W. Hogg*,
&c. &c.

London, 18 February 1852.

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## Cheyaur Annicut, in North Arcot.

Cheyaur Annicut.

Revenue Letter from Fort St. George, dated 25 June (No. 30) 1851.

Para. 1. WE have the honour to submit for your information copies of the papers recorded in the Consultations noted in the margin, relating to a project laid before us by the Board of Revenue for constructing an annicut across the Cheyaur River, and in the excavation of a channel to supply water from it to several tanks in certain talooks of the district of North Arcot.

Diary, 10 Dec. 1850, Nos. 7 to 12; Cons. 8 April 1851, Nos. 38, 39; Cons. 13 June 1851.

Cheyaur Annicut.

2. The cost of the work is estimated at Rs. 31,475. 15. 11., and the object in view is to ensure a regular and certain supply of irrigation, and thereby secure the cultivation of a particular tract of land, means by which both the ryots and the Government revenues will be benefited. It is calculated by the Collector that the returns from augmented cultivation will be highly remunerative, yielding eventually 33 per cent. on the outlay, and immediately, or almost immediately, by means ready to be put in action, the effect of which can be estimated with great certainty, 18 per cent.

3. We request your particular attention to the minutes recorded by the members of Government, and to our correspondence with the Government of India, regarding the proposed works. Your Honourable Court will observe that the Government of India have postponed the consideration of the project referred to them, but that we have again addressed them on the subject, and in now reporting our proceedings, we have only to express our hope that your Honourable Court will approve of our pressing works of such importance for the improvement of the country, and which will certainly repay their cost within a few years, and leave a permanent increase of revenue.

No. 1,150.

From Sir *H. C. Montgomery*, Bart., Chief Secretary to Government, to *F. J. Halliday*, Esq., Secretary to the Government of India.

Sir,

I AM directed by the Right honourable the Governor in Council to forward, for submission to the Government of India, an extract from the Minutes of Consultation of this day's date, together with the correspondence to which it has reference, and to request that early sanction may be obtained for the proposed expenditure of Rs. 31,475. 15. 11. in the construction of an annicut across the Cheyaur River, and the excavation of a channel to supply water from it to several tanks in the district of North Arcot, a project which it will be observed is highly approved of by this Government.

I have &c.
(signed) *H. C. Montgomery*,
Chief Secretary.

Fort St. George, 7 December 1850.

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No. 367.

No. 38.

EXTRACT from the Proceedings of the Honourable the President of the Council of India in Council in the Financial Department, under date 14 March 1851.

READ a communication from the Home Department, No. 512, dated the 20th December last, forwarding for consideration and orders a despatch from the Government of Fort St. George, No. 1,150, dated the 7th idem, with enclosures, soliciting sanction to the expenditure of Rs. 31,475. 15. 11. for the construction of an annicut or dam across the Cheyaur River, and for the excavation of a channel to supply water from it to certain tanks in the Trivatoor and Wandiwash talooks of the district of North Arcot.

RESOLUTION.

The President in Council is of opinion that in the present position of the Indian finances, the consideration of the question of constructing works on the Cheyaur River had better be postponed.

ORDER.

Ordered, that a copy of the foregoing resolution be forwarded to the Home Department, for communication to the Government of Fort St. George, and that the original papers be returned, copies being kept for record in this office.

(A true extract.)

(signed) *J. Dorin*,
Secretary to the Government of India.

No. 567.

From Sir *H. C. Montgomery*, Bart., Chief Secretary to Government,
to *J. Dorin*, Esq., Secretary to the Government of India.

Sir,

Para. 1. I AM directed by the Right honourable the Governor in Council to acknowledge the receipt of an extract from the proceedings of the Government of India in the Financial Department, dated 14th March 1851, declining, in consideration of the present position of the Indian finances, to comply with the application of this Government, for permission to expend a sum of Rs.31,475. 15. 11. in the construction of an annicut across the Cheyaur River, and in the excavation of a channel to supply water from it to certain tanks.

2. The object which this Government had in view in proposing these works, was, as explained in extract Minutes of Consultation, 7th December 1850, No. 1,149, to ensure a regular and certain supply of irrigation, and thereby secure the cultivation of a particular tract of land, means by which both the ryots and the Government revenues would be benefited. All the officers who were consulted respecting the project were extremely favourable to its execution, and the chief engineer was of opinion that it was one of that character which was required to be carried out in every available situation all over the country, as the best and only means of promoting its prosperity. The project, too, had been very carefully examined and drawn out by the local engineer officers; and it had been shown by a detailed investigation into the revenue accounts by the Collector, that the returns from augmented cultivation would be highly remunerative, yielding eventually it was computed 33 per cent. on the outlay, and immediately, or almost immediately, by means ready to be put in action, the effect of which can be estimated with great certainty, about 18 per cent.

3. The Government of India will observe, that there was nothing novel or intricate in the nature of the works; they were of that simple character, which experience in other localities has proved to be followed by success, and they were projected for a part of the country which, from various circumstances, has not received that attention to the works of irrigation which is ordinarily bestowed on other districts. They were, moreover, proposed not solely with the view of obtaining an augmentation of the revenue, which was, however, certain, but had also for their object the maintenance of existing resources.

4. With the firm impression of the economy of the expenditure, the Governor in Council was induced to place the project before the Government of India with his favourable recommendation, and it has been with considerable disappointment that he has heard the decision of the Government of India regarding it. In soliciting a reconsideration of the subject, the Governor in Council would point out that it is by improvement of the means of irrigation, especially by works such as that now under consideration, that the revenues of this Presidency and the condition of its inhabitants are to be advanced, and he trusts these advantages will not be retarded or impeded by the continued refusal of the Supreme Government to sanction an outlay which promises such favourable results, and which will afford a certain and early return in increased revenue.

5. I am desired to take this opportunity of forwarding, for the particular notice of the Government of India, copy of a report recently furnished by the Board of Revenue* for the information of the Honourable Court of Directors, and in course of transmission by the ensuing mail, showing the results obtained from works of irrigation of a special nature executed in the provinces of the Madras Presidency, which it is hoped will satisfy his Honour in Council that the expenditure under this head, under the orders of this Government, has generally been judiciously incurred, and followed by a fair measure of success.

(signed). *H. C. Montgomery*,
Chief Secretary.

Fort St. George, 13 June 1851.

* From the Board of Revenue, Department Public Works, 24 October 1850, No. 1,010, with Report and Abstract Statement.

Cheyaur Annicut.

Construction of an Annicut across the Cheyar River.

Revenue Department, 19 November (No. 9) 1851.

Our Governor in Council, at Fort St. George.

PARA. 1. IN your letter, dated 25th June last (No. 30), you have solicited our sanction to an expenditure of Rs. 31,475. 15. 11, for the construction of an annicut across the Cheyar River, with a channel for the supply of the Mookoor and Poorsy tanks, and of several intermediate ones, in the Triveettoor and Wandewash talooks of the district of North Arcot.

2. The chief engineer (Lieutenant-colonel Lowe) reports that the estimates "have been carefully and minutely drawn up," observing that "the project is precisely of that description which is required to be carried out in every available situation all over the country, as being the one without which the revenues cannot be raised to their maximum, nor the cultivation of the country carried on with certainty."

3. From the report of the Collector of North Arcot, Mr. J. D. Bourdillon, it appears that the immediate increase of revenue which may with certainty be calculated on, amounts to 18 per cent. on the outlay, while an ultimate increase of 33 per cent. may be confidently expected. The extension hereafter of this channel, so as to bring a further line of tanks under its influence, would, he adds, be productive of still greater advantages.

4. The project has been submitted to the Government of India, but the President in Council, without entering on the merits of the case, merely records an opinion that, "in the present position of the Indian finances, the consideration of the question of constructing works on the Cheyar River had better be postponed."

5. Our attention has of late years been much directed to the advantages to be derived from the construction and improvement of public works generally, and of those of irrigation in particular; and, looking not merely to the moderate sum which it is now proposed to expend, and to the large proportionate return expected, but having also especial regard to the great boon which would be afforded to the cultivators, by giving them an unfailing supply of water for their cultivation, instead of the uncertain rains, on which they are now entirely dependent, we sanctioned the proposed expenditure.

6. We desire that the attention of the Board of Revenue may be called to the circumstances mentioned by the Collector, in reference to the system prevailing in that part of his district, under which, he says, "the assessment does not vary, as one or two crops may be cultivated, but is laid on in a single unvarying sum, which is paid whether or not there is water for a second crop. Hence," he observes, "the high class lands are very generally left waste, because the ryots are afraid to touch them, except in an unusual season, knowing that if they plant one crop they will be liable for the assessment of two." This practice may be found to exist in other districts, and should be corrected. It is obvious that if the rate of assessment has been fixed on the assumption that water will be supplied from public sources sufficient for the cultivation of two crops within the year, while in ordinary seasons water sufficient only for one crop is available, the exaction of the full rate at all times must tend greatly to discourage the ryots from undertaking the cultivation of lands so circumstanced, and thus to inflict injury both on Government and the cultivators.

We are, &c.
(Signed) *John Shepherd*,
*J. W. Hogg*,
&c. &c.

London, 19 November 1851.

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Dam at Chutwye.

## Dam at Chutwye.

Revenue Letter from Madras, dated 10 September (No. 53) 1851.

PARA. 1. IN continuation of our letter (No. 16) in this department, dated 19th March 1850, we have the honour to submit for your consideration copies of the papers recorded in the Consultations noted in the margin* on the proposition of

* Revenue Diary, 2 July 1850, No. 17 to 21; Revenue Cons. 6 August 1850, Nos. 37 to 41; Revenue Diary, 17 January 1851, Nos. 15 to 17; Public Works Diary, 22 July 1851, Nos. 9, 10; Revenue Diary, 9 September 1851, Nos. 6 to 8.

of Major Cotton, civil engineer of the Seventh Division, to construct a new dam at Chetwye, in the district of Malabar, in lieu of the one which failed at Yennamaikul. Dam at Chutwye.

2. Your Honourable Court will observe that the chief engineer approves of the change of site, and that the Resident at Cochin, on behalf of that Government, who at first urged objections to it, has now withdrawn them. The sum estimated for the construction of the new dam amounts to Rs. 36,215. 14; and, before recommending this outlay for the sanction of the Government of India, we have considered it advisable to call for certain further information as to the advantages to be derived from the work by this Government, as well as in respect of the portion of expense which the Cochin Government may be willing to bear in its construction, and maintenance afterwards in repair.

3. We hope soon to have the honour of addressing you on the above points, and of receiving your approval of our proceedings.

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Revenue Letter from Madras, dated 25 June (No. 30) 1852.

Para. 1. IN continuation of our letter in this department, dated the 10th September 1851, No. 53, we have the honour to transmit, for the consideration of your Honourable Court, a copy of the correspondence recorded in the Consultations noted in the margin,* regarding the dam proposed to be built at Chetwye, in Malabar, in lieu of the one which failed at Yennamaikul, and to solicit your sanction to the estimate for its construction, amounting to Rs. 36,215. 14. * *See* below.

2. We also request to be favoured with your orders in respect of the portion of outlay which the Cochin Circar should be invited to bear, both on account of the construction as well as the after repairs of the dam, and solicit your attention to the minutes recorded by us on the subject.

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No. 589. No. 28.

THE Government observe, that the several reports and communications respecting the failure of the dam at Yennamaikul, and the construction of a new one in lieu of it at Chetwye, have formed the subject of direct correspondence with the Honourable the Court of Directors; and they resolve in consequence to submit the letters referred to at the head of these proceedings to the Honourable Court, in continuation of the letter addressed to them under date the 10th September 1851, No. 53, and to solicit their sanction to the estimate for the proposed dam at Chetwye, amounting to Rs. 36,215. 14, and their orders in respect of the portion of outlay which the Cochin Circar should be invited to bear, both on account of the construction as well as the after repairs of the dam.

The following minutes recorded by the members of Government are ordered to be brought to the notice of the Honourable Court of Directors, together with the above correspondence.

(signed) *H. C. Montgomery,*
Chief Secretary.

Fort St. George, 19 June 1852.

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MINUTE by the Right Honourable the President.

LETTER to the Honourable Court, requesting sanction to the estimate for building a dam at Chetwye, in lieu of the one formerly destroyed at Yennamakul in Malabar. No. 28 A.

I HAVE before placed my sentiments on record respecting the Yennamakul dam.

The original old native work had stood, I understand, for ages, when a servant † of the British Government in 1802, and then Assistant Collector of Malabar, incurred some expense in unauthorizedly destroying it for the purpose, as I have heard, of enabling boats to go out of, and come into the Backwater, which the dam separated from the sea. † Mr. Drummond.

The work was forgotten, and allowed to be in a dilapidated state for many years, but has lately become the subject of much correspondence.

The engineer and civil officers having fixed on Chetwye as a better site for a dam than Yennamakul, considerable sums have been already sanctioned, but the work has failed, and an application is now about to be made to the Honourable Court for leave to expend Rs. 36,215. 14. on it.

The civil engineer ‡ of the Seventh Division having once before recommended that the Cochin Government should be called on to bear a share of the expense of building the new dam ‡ Major Cotton.

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* Cons. 11 November 1851, Nos. 39, 40; Cons. 24 February 1851, Nos. 5, 6; from Board of Revenue, 13 May 1852, No. 331, in Cons. 22 June 1852, Nos. 27, 28, 28 A. and 28 B.

Dam at Chetwye.

dam at Chetwye, I then assigned my reasons for not concurring in that recommendation, and I must here repeat, that they are not only unchanged but strengthened. Indeed, I do not comprehend the grounds on which the Board of Revenue, Department of Public Works, in their letter of the 13th of last month, after having had the Board's letter of the 23d January 1852 before them, talk of the "expected contribution" from the Cochin Sirkar; and add, that "they concur with the civil engineer, that it is reasonable that the Cochin Sirkar should be invited," &c.

The Resident has already, in a former letter, intimated the readiness of the Cochin Durbar to contribute to the preservation of the dam so soon as it shall be built, and this is as much as I conceive ought to be required.

Under these views, I hope the Honourable Court to whom this minute is to be transmitted, will authorize the dam to be erected at the sole expense of the British Government.

12 June 1852. (signed) *Henry Pottinger.*

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No. 28 B.

MINUTE by the Honourable Mr. *Thomas.*

LETTER to the Honourable Court on the Chetwye Dam.

* Dated 15 Jan. 1852; Extract Minutes of Cons. 23 January 1852; Revenue Department.

IT is not clear to me, from the Resident's letter,* that the Cochin Sircar will object, if not demanded "as a matter of duty" (para. 5 Resident's letter), to bear a fair share of the outlay in the construction of this dam, if the revenues of that Sircar are increased thereby.

Should the Honourable Court in deference to the views of the Resident, as to the "very limited finances of this Sircar," in which I do not concur, as it has large surplus funds in Company's paper, be willing to act with peculiar liberality to that State, and bear the whole charge, I can see no objection. But neither do I see any reason for not claiming or inviting that Government to bear a fair and moderate portion of the charge in proportion to the benefit, or the increasing revenues recovered by the Cochin Sircar, as the direct consequence of the construction of the dam.

14 June 1852. (signed) *J. F. Thomas.*

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Revenue Department, 15 December (No. 19) 1852.

Our Governor in Council at Fort St. George.

Letters dated 10 Sept. (No. 53) 1851; 25 June (No. 30) 1852.

Para. 1. WE now reply to your letters of the dates noted in the margin, forwarding, for our sanction and orders, a proposal of Major Cotton to construct a dam at Chetwye, in lieu of that which failed at Yennamaikul, in the district of Malabar.

2. Chetwye is some miles further down the stream than Yennamaikul, and before finally determining on the new site, the question appears to have received a very careful investigation, and no effort seems to have been spared to arrive at an accurate view of the comparative advantages of the former and proposed position of the dam. The discussion which preceded the decision of the question being of an exclusively professional character, it is not our intention to enter into a review of it. It is sufficient to observe in this place, that Major Cotton appears not only to have effectually disposed of the objections which were urged against the work, so far as to carry the opinion of his official superiors with him, but to have obtained the acquiescence of his opponents in the correctness of his views.

3. We observe, also, that the opposition originally offered by the Cochin Sircar to the removal of the bund from Yennamaikul to Chetwye was based on an erroneous view of the subject, and was subsequently withdrawn.

4. In a financial point of view, the proposal of Major Cotton appears to possess many great advantages. The expense of restoring the dam at Yennamaikul is estimated at Rs. 34,814. 13, and that of constructing a new dam at that place at Rs. 74,214. 4, while the total expense of a dam at Chetwye is estimated at Rs. 36,215. 14. The revenue derived from the bund at Yennamaikul is 2,500 rupees per annum, and the annual revenue to be expected from the erection of the bund at Chetwye is, at the lowest estimate, 7,500 rupees. If, therefore, the cost of erecting a bund and the return to be expected from it at these two positions be compared, it appears, on a rough computation, that the work might be executed at Chetwye at half the cost, while the return would be trebled, showing a return

a return of 3¼ per cent.* on the outlay in one case, and of 21 per cent. in the other. Dam at Chutwye

5. Relying, therefore, on the accuracy of the information and estimates submitted to us, we have no hesitation in according our sanction to Major Cotton's proposal.

6. You solicit our orders on another question in connexion with this work, viz. the portion of expense that the Cochin Government should bear in its construction, and subsequent maintenance in repair. As the Cochin State will participate in the benefits accruing from the work, it seems but reasonable that that State should contribute towards the expense of constructing it. But the Dewan of Cochin and the Resident, Major-general Cullen, object to such contribution, the former on general grounds, and the latter on the ground that the Cochin Government was in no way responsible for the failure of the bund, and is, in consequence of its poverty, entitled to liberal consideration. The force of these objections is recognized by your President, while Mr. Thomas does not wholly concur in them.

7. Under all the circumstances of the case, we are disposed to concur in the opinion expressed by your President, in his minute dated 12th June 1852, that the Cochin Durbar having intimated its readiness "to contribute to the preservation of the dam so soon as it shall be built," "this is as much as ought to be required."

We are, &c.
(signed) *J. W. Hogg,*
*R. Ellice,*
&c. &c.

London, 15 December 1852.

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## Palar Annicut.

Palar Annicut.

Revenue Letter from Madras, dated 22 September (No. 61) 18...

1. We have the honour to submit, for the information of your Honourable Court, and for your eventual sanction, copy of a correspondence † forwarded by us to the Government of India, having reference to the project of an annicut across the Palar River, near Arcot, to ensure the supply of water to the tanks on both sides of the river in the districts of North Arcot and Chingleput.

2. We beg to draw your attention to the minutes recorded on the subject by the members of Government, and to our final resolutions, founded on them. Your Honourable Court will observe, that the project is one from which substantial benefit to the country within its scope is anticipated, as well as a large and steady augmentation of the revenue, which will no longer be subjected to fluctuations from the vicissitudes of the season.

3. The total cost of the annicut and subsidiary works, and making allowance for various other extra works which may be found necessary in the progress of the operations, as well as for the complete restoration of the Myandravady tank, an important branch connected with them, is estimated at 8,66,114 rupees, and we have solicited the Government of India to refer the entire project for your early decision, and obtain your sanction for the above expenditure.

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| Cost. | Return. | Return. Decimals, | Return. Rs. a. p. |
|---|---|---|---|
| Rs. 74,000 | 2,500 | 3·24 or | 3 3 11 |
| 36,000 | 7,500 | 20·83 or | 20 13 4 |

† From Board of Revenue, 12 May 1853, with two letters and four enclosures; Chief Engineer's Report; from Board of Revenue, 16 May 1853; Minute by the Right Honourable the President; Minute by the Honourable Mr. Eliott; Minute by the Honourable Mr. Thomas; Minute by the Right Honourable the President; Memorandum by the Honourable Mr. Eliott; Extract Minutes of Cons. 13 September 1853, No. 1,046; to Government of India, 13 September 1853, No. 1,047.

*Note.*—The estimates, statements and plans are not sent, as these have been furnished complete, with the correspondence, to the Government of India.

Palar Annicut.

## No. 1,047.

From Sir *H. C. Montgomery*, Bart., Chief Secretary to the Government of Fort St. George, to *G. Plowden*, Esq., Secretary to the Government of India.

Sir,

No. 54. 1. I AM directed by the Right honourable the Governor in Council to forward, for submission to the Government of India, copies of letters from the Board of Revenue, dated 12th and 16th May last, together with the correspondence, estimates, statements and surveys received with them, as noted in the margin,* having reference to the project of an annicut across the Palar River, near Arcot, to ensure the supply of water to the tanks on both sides of the river, in the districts of North Arcot and Chingleput.

* *See* below.

2. I am also desired to forward the minutes of the Right honourable the President, the Honourable Mr. Eliott and the Honourable Mr. Thomas, and the resolutions of Government founded on them, recorded in an extract Minutes Consultation of this day's date, which afford full information of the nature of the project, and to which the attention of the Government of India is solicited. From the review taken of the subject, the Government of India will observe, that the project is one from which substantial benefit to the country within its scope is anticipated, as well as a large and steady augmentation of the revenue, which will no longer be subjected to fluctuations from the vicissitudes of season.

3. The estimated outlay, as revised by the Board of Revenue, amounts to 5,95,968 rupees; but the chief engineer suggests, in consideration of the almost universal insufficiency of estimates, and the probability, in a work of this nature, that various extra works will need to be executed with it, that two lacs be added, under the head of contingencies; this addition will increase the probable outlay to 7,95,968 rupees. But to this is to be added a further expenditure of 70,145 rupees for the complete restoration of the Myandravady tank, and which will make the aggregate expected expenditure under all heads 8,66,114 rupees.

4. Upon a consideration of the advantages likely to result from the execution of the project, the Governor in Council begs to support it with his strong recommendation, and to solicit that the same may be referred for the early decision of the Honourable Court of Directors, and their sanction obtained to the necessary outlay, amounting, according to the revised estimates of the Board of Revenue, to 5,95,968 rupees, as well as to the disbursement, at the discretion of this Government, of a sum not exceeding two lacs for necessary supplemental estimates, besides what may be needed for the restoration of the Myandravady tank, the entire expenditure under all heads, not exceeding 8,66,114 rupees.

I am desired to state, that a copy of these proceedings will be submitted for the information of the Honourable Court of Directors by the ensuing mail.

(signed) *H. C. Montgomery*,
Chief Secretary.

Fort St. George, 13 September 1853.

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MINUTE by the Right Honourable the President.

No. 48. LETTER from the Secretary to the Board of Revenue, Department Public Works, No. 632, dated the 12th of May 1853, with various enclosures and plans, submitting a project for an annicut across the Palaur River, near Arcot, at an expense of Rs. 7,95,968/ 13.

I HAVE read with great attention and interest the above letter, and the correspondence with it, and have also minutely examined the map and plans to which they refer.

I consider the project of an annicut across the Palaur River at Arcot to be a very admirable one, and one of which the benefits can scarcely be overrated.

It is impossible that I can follow the civil engineer of the Fourth Division through his calculations, plans and estimates, nor does it appear at all necessary that I should attempt anything of the sort, but I may say that they appear to me to have been prepared with the greatest care and skill, such as to entitle them to perfect confidence.

The eventual out-turn of this desirable project is shown to be likely to far more than repay the outlay as soon as the ryots shall have the means, and shall have acquired confidence, to avail themselves of the vast facilities which it will afford them, to extend and improve their cultivation.

This

* Two Letters from Board of Revenue, giving cover to one estimate with detail, five statements, eight plans, two letters with four enclosures, and one Chief Engineer's Report.

Palar Annicut.

This is undoubtedly a very important object, and one which ought never to be lost sight of in schemes of this nature, but it occurs to me that a still more momentous desideratum is sure to be attained by the Palaur Annicut, I mean that of effectually protecting the districts which it is intended to fertilise from all possibility of scarcity or famine, so far as human means are available to effect that end.

I therefore cordially and unhesitatingly commend and concur in the design, and propose that it be immediately submitted to the Honourable Court, with the strongest recommendation of this Government that it may meet with their early sanction.

25 May 1853. (signed) *Henry Pottinger.*

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MINUTE by the Honourable Mr. *Eliott.*

No. 49.

PROJECT of an annicut across the Palar, near Arcot, to ensure the supply of water to the tanks on both sides of the river in the districts of North Arcot and Chingleput.

IT is highly satisfactory that this long contemplated project, calculated to afford such substantial benefits to the country within its scope, and to secure a large augmentation to the revenue, while it will save it from fluctuation from the vicissitudes of season, has at last been made feasible. This we owe to the ability, zeal and energy of Captain Collyer, the civil engineer of the division. The Government has just brought to the notice of the Court of Directors the completion of the annicut across the Chevar, in the district of North Arcot, by the same officer, by which greatly improved means of irrigation have been afforded to a tract of country bordering on that to which water will be furnished from the Palar by means of the annicut, and the subsidiary works to the south of the river comprehended in the present project. The efficient and rapid execution of the Cheyar Annicut, agreeably to the estimate for it, framed by Captain Collyer, warrants the Government in placing much confidence in the plans and estimates now submitted by him, in the preparation of which he has had the positive data to found upon obtained by actual experience in that work. The project has been revised by the chief engineer, whose experience and success in hydraulic works of this sort gives his opinion the highest value, and we are assured by him that the whole is admirably planned.

There are many fine tanks in the tracts upon both sides of the river, but they are chiefly supplied by the drainage from the surrounding country; they are, therefore, mainly dependent upon the periodical rains, which are extremely uncertain. The Caverypauk tank alone, which has a channel from the Palar, is pretty equally supplied; but this is only effected by means of annually repeated labour in the construction of a temporary bund, which any considerable rise of the river inevitably carries away. The variations in the collections of revenue during a period of 10 years in the talooks of North Arcot and Chingleput, which the annicut will influence, comparing the highest and the lowest, are found to average 107 per cent. Nothing can be more obvious than the advantages to the Government, and the people of an improvement calculated to produce equality instead of so great a fluctuation, which is owing entirely to irregularity in the supply of the tanks. The water to supply them is at hand in the river, and the annicut will save it for that purpose.

In the two districts, taking the highest collections as the standard of what would be at once certainly attained and permanently maintained, if the supply of water were made equal to that which was available in the years in which they were realized, and comparing that standard with the average of the last ten years, we have the means of ascertaining without doubt the minimum gain which the annicut and the auxiliary works would bring to pass. The amount of this in North Arcot is 36,721 rupees, and in Chingleput 81,082 rupees, total 1,17,803 rupees per annum. This gain we shall be made sure of if the annicut and the other works serve their purpose. Besides this sure return to Government for its outlay, there will be an equivalent gain, a free boon to the ryots.

But beyond this primary object of providing against fluctuation in the supply of water, and furnishing the means of irrigation permanently to the greatest extent occasionally attained to hitherto, the annicut will save from waste, water sufficient to replenish the tanks to that degree, that they will be capable of giving irrigation to lands, which, though classed as nunjah or wet, have long been left waste from want of water; and to lands classed as poonjah, or dry, which being served with water, may be made fit for the production of rice. Including the gain from these sources, Captain Collyer calculates the total profit at 1,32,082 rupees in Chingleput, and 52,621 rupees in North Arcot; but deducting 10 per cent. for repairs and superintendence, he makes the aggregate 1,66,159 rupees. The statements prepared by the Revenue officers promise still more favourable results.

| | | |
|---|---|---|
| Chingleput | - | 1,18,800 |
| North Arcot | - | 47,359 |
| | Rs. | 1,66,159 |

The estimates submitted by Captain Collyer for the annicut and channels of supply, amount to 5,73,525 rupees, but the Board have added 20,000 rupees to the estimate for the annicut, to provide for an apron which they judge to be necessary; and the amount of the estimates as revised by them is 5,95,968 rupees, of which 1,64,466 rupees will be the cost of the annicut. Captain Collyer is confident that his estimates are sufficient for the works provided for in them, and feels assured that he could complete the annicut in two seasons, and the whole of the works in three years.

The channels, he represents, ought to be extended eventually to the talooks of Triparoor and Chingleput, and he states roughly, not having had time to take the levels and calculate the cost exactly, that this extension will require a further outlay of about 78,000 rupees, for which there will be a return of about 26,000 rupees per annum.

Palar Annicut.

The chief engineer thinks the estimates liberal, but "considering the almost universal insufficiency of estimates, and that in a work of this nature we shall certainly find that various extra works may be executed in connexion with it," he advises "that two lacs be added under the head of contingencies and probable extra works." The Board of Revenue, Department of Public Works, recommends accordingly that if the project be approved, application be made for sanction to expend Rs. 7,95,968. 13. upon it, which they observe will cover the 78,000 rupees which Captain Collyer reckons will be required for the talooks of Triparoor and Chingleput.

I am of opinion that it is more advisable to submit the revised estimates for the sanction of the Honourable Court of Directors, with a request for authority to sanction additional estimates for the completion of the project, and for necessary supplemental works, to an amount not exceeding two lacs.

Taking the amount to be expended in the execution of the works provided for by Captain Collyer's estimates as revised by the Board to be 5,95,968 rupees, we find the certain and immediate minimum return (1,17,803 rupees as above stated) to come to about 20 per cent. on the outlay. But there is no room to doubt, that taking into account the other sources of gain above indicated, the return will be, if not immediately, in the course of a few years,

Rs. 66,903.

very considerably enhanced. Taking it at only half of Captain Collyer's moderate estimate, or about 33,000 rupees, the gross gain will be 1,50,803 rupees, or, say a lac and a half, giving 25 per cent. on the outlay; allowing 10 per cent. for repairs and superintendence, as Captain Collyer does, there will remain a profit of 15 per cent. upon the capital expended, to cover interest, and gradually redeem the capital. If we assume that the ultimate expenditure will be 7,95,968 rupees, it is to be observed that the additional expenditure will probably be productive of additional revenue; thus for the 78,000 rupees for works in Triparoor and Chingleput, to be covered by the two lacs, it is expected there will be a return of 26,000 rupees.

Since the papers have come to me in circulation, a further letter has come up from the Board, stating that subsequently to the submission of the general project, Captain Collyer has ascertained that his original design for completely restoring the tank of Myandra Wady, near Cavarypauk, is practicable, at a cost of about 70,145 rupees in excess of what he

Rs. 24,313.

allowed in his first estimate for its partial restoration, and proposing that this sum shall be added to the 7,95,968 rupees, stated above as the limit of the expenditure. As the complete restoration of the tank will no doubt produce an increase of revenue proportioned to the additional outlay, the computation of profit will not be disturbed. The grand total, with this addition, will be 8,66,114 rupees.

Upon these considerations I give my cordial approval to the whole project. In recommending the present estimates to the Honourable Court for special sanction, I would request their permission to sanction the further outlay required for the work last mentioned, on an approved estimate being submitted for it, over and above the two lacs extra, to the amount of the said estimates for necessary supplementary works.

28 May 1853. (signed) *D. Eliott.*

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MINUTE by the Honourable Mr. *Thomas.*

No. 50.

LETTER from the Board of Revenue, Department Public Works, proposing the construction of the Palar Annicut, with draft Minutes of Consultation.

1. THESE papers having reached me in consequence of my temporary absence with the draft prepared, I have only to express my full concurrence in the recommendation of this project to the higher authorities. The value of such works in the districts in this Presidency dependent on the uncertain north-east monsoon, can scarcely be overrated. I must observe, however, in this case, that the Palar has not, like the "Godavery" and the "Kistnah," its sources in the Western Ghauts, and it might be doubted therefore, whether it has that invariable supply which the south-west monsoon never fails to provide for those rivers. I accept, however, on this point, the statement of the civil engineer,* though I should have wished that in lieu of this general statement, the Government had been furnished with well ascertained data, that in years such as 1823-24, 1832-33, the seasons of our severest droughts, the Palar would have then supplied the tanks.

2. It is in such seasons chiefly that these works are so invaluable, and repay the heaviest outlay, as they then preserve the lives of the agricultural labourers, and save the stock of a district.

3. There are other points also which do not seem to me to be sufficiently considered. The Board would appear to be of opinion, that all that is necessary is to bring a larger breadth of land under rice cultivation as early as possible, and then that both the revenue and the ryots will prosper; but it is manifest, whatever may be the advantage to the people or consumers generally, that unless measures are taken simultaneously with the execution of such works for remodelling the assessment, or for opening up new and additional markets, that if they are

*Note.*—Captain Collyer proposes in this case to complete the works in three years.

* Para. 2 of his memorandum of the 11th September 1851: "Even in the years in which the supply of the river has been most deficient, there has been enough, if properly applied, very materially to alleviate the ruinous fluctuations now experienced."

are not carried out very gradually, the additional produce these annicuts will instantly and annually create, must in average years so lower the price of grain, as materially to affect the ryots generally, more especially those whose lands are left exposed to the fluctuations of season. Palar Annicut.

4. At present the tendency to low prices, which has shown itself steadily for some years, has been checked by the fluctuations and scanty produce of unfavourable years, and the ryot has obtained on an average of years a price for his produce approximating to the original commutation price of the district.* But if the fluctuations of seasons are to be at end over large areas of land, the annicuts neutralizing them, and large additional quantities of ordinary grain are to be annually poured into the local market, it is difficult to say to what extent prices will fall, and the ryot's condition deteriorate under the present rate of assessment.

5. The Board would do well, I think, to consider this point; also, whether some modification of the rates of assessment may not be at once advisable on lands under these large works, which might lead to and stimulate the production upon the new land taken up instead of rice, of articles which would bear export, and so open the markets of the world to the additional produce raised, and relieve the home market from a superabundant supply of rice or ordinary grain.

6. A glance at the map will, I think, show that the local demand for home consumption can never take off the enormous additional produce which the annicuts of the "Godavery" and the "Kistna," and I should add that of the Palar, will bring almost immediately into existence, and without, therefore, some permanent extension of the market coincident and corresponding with this instant or early extension of production, a great fall of price must in a short time ensue if rice is chiefly raised. This fall may indeed enable Rajahmundry (especially as the ryot is there aided by large grants of tuccavy) and Masulipatam to export largely, and probably to undersell the rice of Ganjam and Vizagapatam, where there is no such Government outlay on works of irrigation, but this will not benefit the State, and will rather raise in time one class of ryots at the expense of another.

*Note.*—Not depending as at present on the large mass of well paid labourers congregated on the works.

7. The Board should, it appears to me, examine more fully these features of these important works, and state whether any modification of the assessment will be advisable in districts where these large annicuts exist, either upon the lands not secured against the fluctuations of the north-east monsoon, or for stimulating the production of exportable products for the European market; further, whether it will not be necessary if the Palar annicut is sanctioned to call for plans, and carry out simultaneously lines of road to the large towns of the district, with other works, to facilitate the distribution of the additional produce which this annicut will yearly throw into the market.

8. I am disposed to think, looking to the low price of grain, that unless such works are executed at the same time with the annicuts and new markets found, that these works will lose in all ordinary years much of their value; it may be found, also, that the more gradual development of these works, progressing as society or population itself progresses, may be the most beneficial policy, when once a sufficient extent of land is irrigated to secure a district against the famines consequent upon the total failure of the north-east monsoon.

9. I have made these remarks now, because the time is near, if not come, when these questions should receive consideration, as but a short period will elapse before the Godavery works are in full operation, and the Kistnah will soon follow, as well as the Palar, and it appears to me not in the nature of things that population can increase so rapidly as to take off the enormous additional supplies to be so soon raised under these annicuts.

25 July 1853. (signed) *J. F. Thomas.*

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MINUTE by the Right Honourable the President. No. 51.

MINUTE by the Honourable Mr. Thomas, dated the 25th of July 1853, on the Project for an Annicut across the Palaur River.

I SUPPOSE the above Minute, though placed on record after the draft Minutes of Consultations was prepared, will require to be forwarded with the rest of the papers on the matter to which it relates, and so far as it rests with me, I entirely approve of that being done.

I consider the remarks made by the Honourable Mr. Thomas to be equally sound and well grounded, and it strikes me to be desirable that they should be looked into before the matter goes farther.

The chief point to be ascertained, appears to me to be the capability of the Palaur River to supply the tanks that are to be fed by means of the annicut, with water in seasons on which

* The draft Minutes of Cons. now in circulation on the North Arcot annual settlement for 1851–52, exhibit in a striking manner the extent to which prices fell in this very locality of the Palar Annicut in years of abundance. It is there observed, "in consequence of the increased extent of cultivation in so propitious a season, the price of grain underwent a great decline as compared with the rates obtaining in the preceding year. The prices in the principal and subdivision were respectively 15 and 21 per cent. below those of Fusly 1260, and 31 and 39 per cent. below the commutation rates."—Extract Minutes Cons., 11 August 1853, p. 2.

Palar Annicut.

which the north-east monsoon may wholly or partially fail, as it is self-evident that such scanty seasons will be those on which the advantages and blessings anticipated from the work will be of the greatest value to the country and people.

I would therefore advise, that the Board of Revenue be called on to report, in concert with the civil engineer of the Fourth Division on this momentous question, to the success of the whole plan.

The next point to which the Honourable Mr. Thomas refers, is the possible necessity for a revision of the assessment, so as to assist in retaining the prices of grain when the full effects of the annicut shall have brought a large additional extent of land under cultivation, at such rates as will prove remunerative, and I concur with my honourable colleague in proposing that this point be likewise referred for the mature consideration of the Revenue Board; at the same time I think it right to state, so far as I can judge from my comparatively short experience of the fluctuations of the seasons in this part of India, that I deem it probable that the superabundant produce in one district will often be needed to compensate for deficiency in others, and I also see abundant reason to hope that extension of cultivation under the different annicuts will in due time not be confined to rice and grain, but will embrace a vast increase of sugar, indigo, the manufacture of rum and other articles adapted to the markets of England and foreign Europe.

The improvement and extension of roads to open up the districts to be fertilised by the annicuts is of the highest moment, and ought to engage early attention; this seems to me to be particularly desirable in the districts through which the waters of the Palar Annicut are to flow, as there are, I fancy, in them, no means of forming canals such as will partly answer the purpose of roads in Rajahmundry, Masulipatam and the other northern districts, where the face of the country is level, and the supply of water certain and superabundant.

2 August 1853. (signed) *H. P.*

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### Memo. by the Honourable Mr. *Eliott.*

No. 52.

I have no objection to the reference to the Board of Revenue proposed by the President in the 3d para. of the above memo.

On the effects of extended cultivation by such works as the proposed annicut on the Palar, I have recorded my views in the 95th para. of my minute on the Report of the Commissioners on Public Works, and in the following para. I have expressed my opinion that it behoves Government, while it provides the means for increased production, to provide also, and simultaneously, all possible facilities for the transport of produce by means of good roads, canals, &c. I need not therefore enter particularly upon these topics at present, and as they will come under consideration of Government in a general view in the discussion of the report referred to, I would suggest that no instructions of the nature proposed be communicated to the Board of Revenue; in the meantime I deprecate any meddling with the assessment in anticipation of results which are altogether speculative. The Board have received instruction to give the most careful attention to the effect of the current prices on the revenue, and I do not think anything more is needed at present.

5 August. (signed) *D. E.*

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### No. 1,046.

No. 53.

In the above letters the Board of Revenue in the Department of Public Works submit, for the consideration of Government, the project of an annicut across the Palar River near Arcot, to ensure the supply of water to the tanks on both sides of the river, in the districts of North Arcot and Chingleput.

2. This long contemplated project, so well calculated to afford substantial benefit to the country within its scope, and to secure a large augmentation to the revenue, no less than to save it from fluctuations from the vicissitudes of season, has at last been made feasible by the ability, zeal and energy of Captain Collyer, the civil engineer of the division. The Honourable Court of Directors have just been informed of the completion of the annicut across the Cheyar, in the same district, a work also planned and executed by Captain Collyer, and by which greatly improved means of irrigation have been afforded to a tract of country bordering on that to which water will be furnished from the Palar, by means of the annicut and the subsidiary works to the south of the river, comprehended in the present project. The efficient and rapid execution of the Cheyar Annicut within the amount * estimated for it, enables the Government to receive with confidence the plans and estimates for the Palar now submitted, especially as Captain Collyer has had, in their preparation, the data obtained by actual experience in the former work. The project has been revised by the chief engineer, whose experience and success in hydraulic works gives his opinion the highest value, and the Government have his assurance that the whole is admirably planned.

Para. 5 of Letter, dated 22 August 1853, No. 53.

* Rs. 31,475.

3. The Government are aware that many fine tanks in the tracts upon both sides of the river are chiefly supplied by the drainage from the surrounding country, and are therefore mainly dependent upon the periodical rains, which are extremely uncertain. The Caverypauk tank, which has a channel from the Palar, is alone pretty equally supplied, but this is only effected by means of labour, annually repeated, in the construction of a temporary bund, which any considerable rise of river inevitably carries away. The variations in the collections

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tions of revenue during a period of 10 years, in those talooks of the North Arcot and Chingleput districts, which will come under the influence of the annicut, comparing the highest and the lowest, are found to average 107 per cent., and nothing can be more obvious than the advantage to the Government and the people, of an improvement calculated to produce equality instead of so great a fluctuation, which is owing entirely to irregularity in the supply of the tanks. The water to supply them is at hand in the river, and the annicut will save it for that purpose.

4. Taking the highest collections in the two districts as the standard of what would be at once certainly attained, and permanently maintained if the supply of water were made equal to that which was available in the years in which they were realized, and comparing that standard with the average of the last 10 years, the result will show the minimum gain which the annicut and the auxiliary works would produce. The amount of this in North Arcot is 36,721 rupees, and in Chingleput, 81,082 rupees, making a total gain of 1,17,803 rupees per annum, if the annicut and its subsidiary works serve their purpose, besides the equivalent gain to the ryots.

5. But beyond the primary object of providing against fluctuation in the supply of water, and furnishing the means of irrigation permanently to the greatest extent occasionally attained hitherto, the annicut will save from waste, water sufficient to replenish the tanks and make them capable of giving irrigation to lands, which though classed as nunjah or wet, have long been left waste from want of water, and to lands classed as poonjah or dry, which being served with water may be made fit for the production of rice. Including the gain from these sources, Captain Collyer calculates the total profit at 1,32,082 rupees in Chingleput, and 52,621 rupees in North Arcot, but deducting 10 per cent. for repairs and superintendence, he makes the aggregate 1,66,159 rupees.* The statements prepared by the revenue officers promise still more favourable results.

* Chingleput, Rs. 1,18,800
North Arcot - 47,359
Rs. 1,66,159

6. The estimates submitted by Captain Collyer, for the annicut and channels of supply, amount to 5,73,525 rupees, but to this, the Board of Revenue have added 20,000 rupees for an apron to the annicut, which they consider necessary, thus making the aggregate 5,95,968 rupees, of which the sum of 1,64,466 rupees appertains to the annicut alone. Captain Collyer is confident that his estimates are sufficient for the works provided for in them, and feels assured that he could complete the annicut in two seasons, and the whole of the works in three years.

7. The channels he represents ought to be extended eventually to the talooks of Triparoor and Chingleput, and he states roughly, not having had time to take the levels and calculate the cost exactly, that this extension will require a further outlay of about 78,000 rupees, for which a return of about 26,000 rupees per annum may be expected.

8. The chief engineer thinks the estimates liberal, but "considering the almost universal insufficiency of estimates, and that in a work of this nature the Government will certainly find that various extra works may be executed in connexion with it," he advises that two lacs be added, under the head of contingencies and probable extra works.

9. The Board of Revenue recommend accordingly, that if the project be approved, application be made for sanction to expend Rs. 7,95,968. 13. upon it, which they observe will cover the sum of 78,000 rupees which Captain Collyer reckons will be required for the talooks of Triparoor and Chingleput. The Government, however, think that it would be more advisable to submit the revised estimates for the sanction of the Honourable Court of Directors, with a request for authority to sanction additional estimates for the completion of the project, and for necessary supplemental works, to an amount not exceeding two lacs.

10. Taking the amount to be expended in the execution of the works provided for by Captain Collyer's estimates, as revised by the Board, to be 5,95,968 rupees, the certain and immediate minimum return will be as above stated, 1,17,803 rupees, or about 20 per cent. on the outlay; but there is no room to doubt, that taking into account the other sources of gain above indicated, the return will be, if not immediately, in the course of a few years, very considerably enhanced. Taking it at only half of Captain Collyer's moderate estimate,† or about 33,000 rupees, the gross gain will be about a lac and a half of rupees, or 25 per cent. on the outlay; allowing 10 per cent. for repairs and superintendence, as Captain Collyer does, there will yet remain a profit of 15 per cent. upon the capital expended, to cover interest, and gradually redeem the principal itself. If it be assumed that the ultimate expenditure will amount to 7,95,968 rupees, the additional expenditure will probably be productive of additional revenue; thus, for the sum of 78,000 rupees for works in Triparoor and Chingleput to be covered by the additional two lacs, it is expected there will be a return of 26,000 rupees.

† Rs. 66,903.

11. In their further letter of the 16th May, the Board of Revenue submit that Captain Collyer's original design for completely restoring the tank of Myandrawady, near Caverypauk, is practicable at a cost of about 70,145 rupees in excess of what he allowed in his first estimate‡ for its partial restoration, and propose that this sum be added to 7,95,968 rupees stated above as the limit of the expenditure. The complete restoration of the tank will no doubt produce an increase of revenue proportioned to the additional outlay, and the computation of profit will not therefore be disturbed. The grand total, with this addition, will be 8,66,114 rupees.

‡ Rs. 24,313.

12. Upon a consideration of all the circumstances detailed in the preceding paragraphs, the Right honourable the Governor in Council resolves to submit the correspondence relating to the project of the Palaur Annicut to the Government of India, with his earnest and strong

Palar Annicut.

recommendation in favour of it, and with a request that the same may be forwarded for the early decision of the Honourable Court of Directors, and their sanction obtained to the revised estimates submitted by the Board of Revenue, amounting to 5,95,968 rupees, and that this Government may be authorized to sanction additional estimates for the completion of the project, and for necessary supplemental works, to an amount not exceeding two lacs, as well as the further outlay that may be required for the complete restoration of the Myandravady tank, on an approved estimate being submitted for it.

13. The Government, in considering this project, have relied on the statement of the civil engineer, that "even in the years in which the supply of the river has been most deficient, there has been enough, if properly applied, materially to alleviate the ruinous fluctuations now experienced," but remembering that the Palar has not, like the Godavery and the Kistna, its sources in the Western Ghauts, there is reason to doubt that it has invariably that full supply which the south-west monsoon never fails to provide for those rivers, and it becomes of importance to ascertain, as accurately as possible, whether in years such as 1823-24 and 1832-33, the supply received by it during the whole year being entirely saved by the annicut, would have thrown into the tanks a quantity of water sufficient at least to raise food enough to preserve the lives of the agricultural population, and at the same time to save the stock from perishing from drought; if sufficient for this object alone in such years, the work would well repay its cost. The Governor in Council desires that the Board of Revenue, in concert with the civil engineer, will make a careful inquiry, and report on this point.

14. The Governor in Council considers it a matter of essential importance to combine with works of this nature, calculated to increase production, measures to be executed simultaneously for opening up new markets, in order that the local market may not be overcharged by the increased produce, while a sufficient demand might be found for it at places to which it could readily be carried by means of good roads, &c.; he therefore desires that the civil engineer be directed to give his attention to the planning of lines of roads to the large towns within a practicable range, with other works, to facilitate the distribution of the additional produce which this annicut may be expected yearly to throw into the market, with a view to submitting a scheme for that object, in the event of the present project receiving the sanction of the Honourable Court.

Ordered, that the foregoing proceedings be brought early to the notice of the Honourable the Court of Directors.

(signed) *H. C. Montgomery,*
Chief Secretary.

Fort St. George,
13 September 1853.

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Calicut Canal.

## Calicut Canal; Agoombie Ghaut.

EXTRACT Public Works General Letter from Madras, dated 17 May (No. 3) 1847.

Para. 5. ACCOMPANYING is a correspondence with the Government of India* on the proposals we submitted to that Government for the construction of the under-mentioned important works:

| | *Rs.* | *a.* | *p.* |
|---|---|---|---|
| Canal to connect the Ellatoor Backwater with the Calicut River - - - - - - | 16,202 | 2 | 6 |
| Road from the foot of the Agumbie Ghaut to the sea coast - - - - - - - | 17,623 | 12 | 5 |
| Dike with sluices along the eastern bank of the Godavery River - - - - - - - | 34,994 | 10 | 11 |

6. It will be seen, that of these three works, the Government of India have authorized the outlay required for the proposed canal to connect the Ellatoor Backwater with the Calicut River in Malabar, a distance of six miles. This extent of canal was alone wanted to perfect the water communication for a distance of 134 miles during the dry season, or 224 miles during the rains, and the execution of the work was strongly urged by the local revenue and engineer officers, as one greatly calculated to advance the prosperity of the district.

7. We

* Diary to Cons., 11 November 1845, Nos. 13, 14; Cons., 2 January 1846, Nos. 1 to 3; 20 January 1846, Nos. 5, 6; 10 February 1846, Nos. 11 to 13; 16 December 1845, Nos. 5, 6; 10 February 1846, Nos. 7, 8; Diary, 2 March 1847, Nos. 9, 10; Revenue Cons., 10 March 1846, Nos. 56, 57; Revenue Diary, 16 June 1846, Nos. 29, 30; Cons., 2 June 1846, No. 5; 25 August 1846, Nos. 9, 10; Revenue Diary, 2 February 1847, Nos. 43 to 45.

Calicut Canal.

7. We request the attention of your Honourable Court to the correspondence recorded in our consultation of the 2d February last, on the subject of maintaining permanent embankments to rivers, respecting which the Government of India suggested that a scientific inquiry should be instituted to ascertain the effect of such embankments in this Presidency.

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EXTRACT Public Letter to Fort St. George, dated 31 May (No. 12) 1848.

14. The connexion of the Ellatoor Backwater with the Calicut River completes a continuous line of communication by water, and appears to be a work of great utility to traffic.

Letter from, dated 17 May (No. 3) 1847; paras. 5 to 7. An estimate of Rs. 16,202. 2. 6. for constructing a canal to connect the Ellatoor Backwater with the Calicut River, has been sanctioned by the Government of India, but a proposal to form a road from the foot of the Ajumbie Ghaut to the coast, and to construct a dike, with sluices, along the eastern bank of the Godavery, has not been sanctioned.

15. The other works recommended by you, we observe the Government of India have, on financial grounds, declined to sanction.

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EXTRACT from the Proceedings of the Honourable the President of the Council of India in Council, in the Home Department, under date 23 November 1849.

No. 222.

From *W. H. Bayley*, Esq., Acting Secretary to the Government of Fort St. George, to *F. J. Halliday*, Esq., Secretary to the Government of India. No. 13.

Sir,

Para. 1. I AM directed by the Right honourable the Governor in Council to submit, for the consideration of the Government of India, a copy of the correspondence noted in the margin,* on the subject of opening a communication from the Agumbie Ghaut to the town of Mangalore, and on the further sum required to complete and render it available for cart traffic. Public Works Department.

* *See* below.

2. Under the views recorded in an extract from the Minutes of Consultation of this day's date, the Governor in Council requests the authority of the Government of India, for the disbursement of the further sum of 7,000 rupees required for the above purpose.

I have, &c.
(signed) *W. H. Bayley*,
Acting Secretary to Government.

Fort St. George, 2 November 1849.

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No. 825.

From *W. Grey*, Esq., Under Secretary to the Government of India to *W. H. Bayley*, Esq., Acting Secretary to the Government of Fort St. George. No. 16.

Sir,

I AM directed to acknowledge the receipt of your letter, No. 222, dated the 2d instant, with enclosures, requesting sanction to the expenditure of a further sum of 7,000 rupees to complete the communication from the Agumbie Ghaut to the town of Mangalore, and render it available for cart traffic.

2. I am desired to intimate the strong dissatisfaction with which the President in Council has perused the papers connected with this application, evidencing as they do, the careless and discreditable proceedings of some of the local officers immediately concerned, in submitting to the Government loose and imperfect information in a case where a considerable outlay of the public money was in question. His Honour in Council would wish to be informed who is the officer to whom allusion is made in para. 4 of the Consultations of the Madras Government, as being especially culpable for misleading the Government in this case.

3. As

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* From Board of Revenue, 22 June 1848, No. 445, and Order; from Board of Revenue, 24 Aug. 1848, No. 640, and Order; from Board of Revenue, 4 October 1849, No. 741, with all the papers referred to (requested to be returned, being originals, 6); Extract Minutes Cons., 2 Nov. 1849, No. 221.

Calicut Canal.

3. As the matter is now submitted, the President in Council apprehends that he cannot withhold sanction to the additional expenditure which is applied for, without risking the loss of all that has been done; but his Honour in Council sanctions the outlay with great reluctance, and he relies upon the Madras Government, that at all events, it will be the last expenditure required for the same work.

I have, &c.
(signed) *W. Grey,*
Under Sec. to the Govt. of India.

Fort William,
23 November 1849.

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EXTRACT from the Proceedings of the Honourable the President of the Council of India in Council, in the Home Department, under date 26 April 1850.

No. 68.

No. 28. From Sir *H. C. Montgomery*, Bart., Chief Secretary to the Government of Fort St. George to *F. J. Halliday*, Esq., Secretary to the Government of India.

Sir,

Public Works Department. I AM directed by the Right honourable the Governor in Council to transmit copy of a letter from the Board of Revenue in the Department of Public Works, dated 18 March 1850 (No. 242), affording the information called for in para. 2 of Mr. Under Secretary Grey's letter of the 22d November last.

I have, &c.
(signed) *H. C. Montgomery,*
Chief Secretary.

Fort St. George, 9 April 1850.

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Road from Bellary to Dharwar.

## Road from Bellary to Dharwar.

EXTRACT Public Works General Letter from Madras, dated 12 September (No. 6) 1851.

Cons. 24 Dec. 1850, Nos. 9 to 11; 31 January 1851, Nos. 36, 37; 4 Mar. 1851, Nos. 12, 13; 22 July 1851, Nos. 3, 4.

Para. 21. WITH their letter, dated 17th October 1850, the Board of Revenue in the Department of Public Works, submitted an estimate amounting to Rs. 26,344. 15. for the improvement of the line of road (64 miles in extent), leading through the Bellary district to Dharwar, satisfied that the proposed outlay for facilitating traffic generally on that line was advisable, and that it would be attended with advantage, particularly to the large and populous town of Bellary, the head-quarters of a division of the army, and one of the considerable cantonments under the Presidency; we forwarded the correspondence to the Government of India, with our recommendation, that the proposed amount might be sanctioned, with an additional sum of 2,400 rupees for European superintendence.

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EXTRACT Public Works General Letter from Madras, dated 6 August (No. 9) 1852.

Improvement of the road leading through the Bellary district to Dharwar. Cons., 19 August 1851, Nos. 1, 2; 18 Oct. 1851, Nos. 15, 16.

Para. 4. REFERRING to para. 21 of our letter in this Department, dated the 12th September 1851, No. 6, we have the honour to report that the Government of India have sanctioned the outlay we recommended for the improvement of the road (64 miles in extent), leading through the Bellary district to Dharwar, amounting to Rs. 28,744. 15.

From Sir *H. C. Montgomery*, Bart., Chief Secretary to Government to *F. J. Halliday*, Esq., Secretary to the Government of India.

Road from Bellar to Dharwar.

Sir,

I AM directed by the Right honourable the Governor in Council to submit, for the early consideration and orders of the Government of India, the correspondence noted in the margin,* together with an extract from the Minutes of Consultation of this day's date, and to solicit sanction for an outlay of Rs. (28,744. 15.) twenty-eight thousand seven hundred and forty-four and annas fifteen, for the improvement of the line of road leading through the Bellary district to Dharwar.

* *See* below.

(signed) *H. C. Montgomery*,
Fort St. George, 24 December 1850. Chief Secretary.

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EXTRACT Fort St. George Public Works Consultation of 4 March 1851.

Read the following letter:—

No. 80.

From *W. Grey*, Esq., Under Secretary to the Government of India, to Sir *H. C. Montgomery*, Bart., Chief Secretary to Government, Fort St. George.

Sir,

I AM directed to acknowledge the receipt of your letter, No. 275, dated the 24th December last, with enclosures, soliciting sanction for an outlay of Rs. 28,744. 15. for the improvement of the line of road leading through the Bellary district to Dharwar.

2. Previous to entertaining the proposition for the expenditure of so large a sum of money as that for which sanction is solicited, the President in Council would wish to be in possession of further information to enable him to come to a decision as to the necessity for the outlay. All that appears from the documents before him is, that at different times, within the last seven years, sums of money have been expended on this road, amounting altogether to 22,137 rupees, and that now a larger sum (28,745 rupees) is required than the total of the former expenditure, to render the entire line practicable for carts, and probably to prevent the loss of what has been already expended, and even a yet larger sum is mentioned (47,000 rupees) as not unlikely to be eventually required for bridging the nullahs which intersect this line of road. With the prospect of so considerable an outlay, his Honour in Council considers it necessary to satisfy himself as to the advantages which the road is likely to afford, and especially information should be furnished as to the extent of trade which now passes, and which is expected to pass by this route.

(signed) *W. Grey*,
Fort William, 31 January 1851. Under Sec. to the Govt. of India.

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From Sir *H. C. Montgomery*, Bart., Chief Secretary to Government, to the Secretary to the Government of India.

Sir,

I AM directed to acknowledge the receipt of Mr. Grey's letter of the 31st January last, No. 180, and in reply to transmit the accompanying communication† from the Board of Revenue in the Department of Public Works, with its enclosures, supplying the information required by the Government of India, regarding the advantages to be derived from the improvement of the line of road leading through the Bellary district to Dharwar.

† 30 June 1851, No. 579.

The attention of the President in Council is especially solicited to the Report of the Collector of Bellary, dated 26th May last, and to the 5th and 7th paras. of the Board's letter, herewith transmitted, as affording full information on the points

* From Board of Revenue, Department Public Works, 17 October 1850. No. 979, with eight original enclosures, excluding survey, which is inconveniently bulky for transmission by post.

Road from Bellary to Dharwar.

points noticed by his Honour in Council, and which need not therefore be repeated in this communication.

The Governor in Council trusts that the Government of India will be satisfied that the proposed outlay for facilitating traffic generally on the line is advisable, and that it will be attended with advantage, particularly to the large and populous town of Bellary, the head-quarters of a division of the army, and one of the considerable cantonments in the Madras Presidency.

Estimate - 26,344 15
Superintendence 2,400 -
Rs. 28,744 15

With these remarks, I am directed again to solicit sanction for the estimate for the improvement of the road in question, amounting, inclusive of the further sum added for European superintendence, to Rs.28,744. 15.

(signed) *H. C. Montgomery*,
Chief Secretary.

Fort St. George, 21 July 1851.

(True extract.)

(signed) J. D. Sim, Ag. Dy Secy to Govt.

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Bridge over the Cooum.

## Bridge over the Cooum.

EXTRACT Public Letter from Fort St. George, dated 12 October (No. 21) 1847.

In Cons. 22 June 1847; in Diary, Cons. 10. August 1847; 31 August 1847.

15. THE bridge across the Cooum River, near Chindadrepettah, having been destroyed by the late hurricane, and as great inconvenience was experienced in consequence, the traffic in that vicinity being large, we have, with the concurrence of the Government of India, sanctioned the construction of a new bridge, at a cost of Rs.25,182. 11. 5, suggesting to the Military Board that if they thought it advisable, the bridge or a part of the work might be erected by contract.

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EXTRACT Public Letter to Fort St. George, dated 13 February (No. 3) 1850.

Letter from, dated 12 October (No. 21) 1847; (p. 15; also No. 1 of 1848, p. 4 and 5); A disbursement (by tender) of Rs. 22,424. 4. 3, sanctioned with the concurrence of the Supreme Government, for erecting a bridge over the river Cooum at Chindadrepettah, to replace one destroyed by the hurricanes of 1846; also, an expense of Rs. 736. 10. 4. sanctioned for a temporary bridge.

29. This expense appears to have been necessary.

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EXTRACT Fort St. George Public Consultations, dated 22 June 1847.

No. 38.

No. 46.

From *J. F. Thomas*, Esq., Chief Secretary, Fort St. George, to *G. A. Bushby*, Esq., Secretary to the Government of India.

Sir,

Dated 4 June 1847.

I AM desired by the Most Noble the Governor in Council to transmit the accompanying copy of a letter from the Military Board, with plans and estimates, for re-establishing a thoroughfare across the Cooum River near Chindadrepettah, the bridge in that vicinity having been destroyed by the late hurricane; and, as great inconvenience is experienced in consequence, to request the sanction of the Supreme Government to the construction of a new bridge, according to plan marked C., at an expense of Rs.25,182. 11. 5.

2. This bridge will be chiefly useful to the Native community, and as the traffic at Chindadrepettah is large, and plan C. alone provides for a sufficiently wide roadway at a small increased cost of only 3,427 rupees, it is recommended for adoption.

I have, &c.
(signed) *J. F. Thomas*,
Chief Secretary.

Fort St. George, 22 June 1847.

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EXTRACT Fort St. George Public Consultations, 17 August 1847. Bridge over the Cooum.

No. 634.

From *G. A. Bushby*, Esq., Secretary to the Government of India, to *J. F. Thomas*, Esq., Chief Secretary to Government, Fort St. George No. 3.

Sir,

I AM directed to acknowledge the receipt of your letter, No. 38, dated the 22d ultimo, with enclosures, and in reply to state, that the President in Council is pleased, in compliance with the recommendation of the Most Noble the Governor in Council, to sanction the estimate there submitted for the construction of a new bridge across the Cooum River between Chindadrepettah and Percametto, amounting to Rs. 25,182. 11. 5.

2. The original enclosures of your letter are returned.

I have, &c.
(signed) *G. A. Bushby*,
Secretary Government, India.

Fort William, 17 July 1847.

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EXTRACT Fort St. George Public Consultations, dated 31 August 1847.

No. 675.

From *G. A. Bushby*, Esq., Secretary to the Government of India, to *J. F. Thomas*, Esq., Chief Secretary to Government, Fort St. George. No. 1.

Sir,

WITH reference to your letter to the address of Mr. Secretary Dorin, No. 45, dated the 13th ultimo, and enclosure, I am directed to request that the expenditure to which the sanction of the President in Council is therein required may be submitted in the usual tabular form.

I have, &c.
(signed) *G. A. Bushby*,
Secretary to the Government of India.

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## Bridges over the Cuddembella Holla and Cubbintial Holla. Bridges.

Public Works Department, No. 5 of 1850.

To the Honourable the Court of Directors of the East India Company.

Honourable Sirs,

WE have the honour to submit, for the consideration and orders of your Honourable Court, copies of communications from the Board of Revenue in the Department of Public Works, and of notes and minutes recorded by the members of Government, and of the proceedings adopted by us in respect of two bridges over the Cuddembella Holla and Cubbintial Holla Streams, on the Canara portion of the Munzerabad Ghaut. Diary to Cons., 1 June 1850, Nos. 1 and 2; Ditto, 17 Dec. 1850.

We have, &c.
(signed) *Henry Pottinger.*
*D. Eliott.*
*J. F. Thomas.*

Fort St. George, 13 December 1850.

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## Devamanny Ghaut. *Devamanny Ghaut.

Public Works Department, No. 10 of 1847.

To the Honourable the Court of Directors of the East India Company.

Honourable Sirs,

REFERRING to para. 8 of our letter in this department, dated 7th March 1846, No. 5, we have the honour to submit copy of a further correspondence upon the necessity Cons. 31 August 1847.

Devamanny Ghaut.

necessity of improving the Devamunny Ghaut, which we have laid before the Government of India, soliciting their attention to the estimate previously submitted by us for that project.

We have, &c.
(signed) *Tweeddale.*
*H. Chamier.*
*H. Dickinson.*

Fort St. George, 26 August 1847.

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EXTRACT Public Works General Letter from Madras, 22 December (No. 15) 1847.

Cons., 7 September 1847, Nos. 13, 14; 12 October 1847, Nos. 3, 4; 19 Oct. 1847, Nos. 13, 14; Diary, 19 October 1847, Nos. 5, 6; Cons., 16 Nov. 1847, Nos. 5, 6; Diary, 9 Nov. 1847, Nos. 9, 10.

Para. 4. REFERRING to our letter of the 26th August last, No. 10, we transmit copy of a further correspondence on the subject of improving the Devamanny Ghaut, from which your Honourable Court will learn that the Government of India have authorized an outlay of 9,000 rupees for the formation of a bandy trace to a width sufficient for laden bullocks from Sircy to Dewgar. The partial improvement now sanctioned, it is expected, will be of considerable benefit to the transit of cotton, by enabling the carriage bullocks to travel on a far better line than that of Neelcond.

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EXTRACT Public Letter to Fort St. George, dated 22 August (No. 14) 1849.

Letter dated 26 August (No. 10) 1847; also, p. 4, of Letter dated 22 December (No. 15) 1847; Estimate of 9,000 rupees sanctioned for improving the Devamanny Ghant.

Para. 14. WE approve of the outlay sanctioned by the Government of India for the formation of a line for bullock traffic from Sircy to Coompta, at a cost of 9,000 rupees, pending our decision on the larger estimate submitted with your letter of the 18th October 1845, our approval of which was communicated to the Government of India in a despatch of 8th September 1847; but we wish it to be distinctly understood, that that amount must be considered as forming a portion of the original estimate, and must not be taken as a separate charge.

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Public Works Department, No. 169.

To *G. A. Bushby*, Esq., Secretary to the Government of India.

Sir,

REFERRING to the letter to your address, dated 9th September 1845, and your reply thereto of the 18th October following, I am directed by the Most Noble the Governor in Council to transmit an extract from the diary of Captain F. C. Cotton, civil engineer of the Seventh Division, and an extract from the Minutes of Consultation of this day's date, and to solicit the attention of the Government of India to the estimate forwarded by this Government for opening the communication by the Devamanny Ghât for wheeled carriages, the necessity of which is forcibly depicted in the correspondence now submitted.

Pages 1 to 5, and 7 to 13.

(signed) *H. C. Montgomery,*
Secretary to Government.

Fort St. George, 26 August 1847.

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No. 182.

No. 14.

From Sir *H. C. Montgomery*, Bart., Secretary to Government, to *G. A. Bushby*, Esq., Secretary to the Government of India.

Sir,

WITH reference to the papers transmitted with my letter of the 26th ultimo, No. 169, I am directed by the Most Noble the Governor in Council to submit, for the favourable consideration and early orders of the Government of India, copy of a letter from the Board of Revenue, giving cover to a correspondence and an estimate amounting to 9,900 rupees, for opening for bullock traffic the trace of the Devamanny Ghaut, and of the roads above and below towards Sirci and Coompta.

Dated 19 August 1847, No. 683.

2. His

2. His Lordship in Council agrees with the Board of Revenue, that even the partial improvement of the ghaut now proposed will be a great benefit, and recommends, accordingly, that the estimate submitted may receive sanction; and this, considering how short is the period for prosecuting works of this nature in Canara, and the difficulty of procuring labourers, he would request should be given at an early period, that advantage may be taken of the present season for commencing operations. Devamanny Ghaut.

(signed) *H. C. Montgomery,*
Secretary to Government.

Fort St. George, 7 September 1847.

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EXTRACT Fort St. George Public Works Consultation, 12 October 1847.

READ the following letter:—

No. 819.

From *G. A. Bushby*, Esq., Secretary to the Government of India, to Sir *H. C. Montgomery*, Bart., Secretary to Government, Fort St. George. No. 3.

Sir,

I AM directed to acknowledge the receipt of your letter, No. 169, dated the 26th ultimo, with enclosures, and, in reply, to state, for the information of the Most Noble the Governor-general in Council, that the President in Council is pleased to authorize an outlay of 9,000 rupees for the formation of a bandy trace, to a width sufficient for laden bullocks from Sircy to Dewga, so planned that it may be converted into a regular road hereafter upon the Dewamanny Pass, when the latter has received the sanction of the Honourable Court of Directors.

2. General Cubbeen has been already requested to report to the Government of India on the subject of the transit duties in the Mysore country.

(signed) *G. A. Bushby,*
Secretary to the Government of India.

Fort William, 18 September 1847.

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EXTRACT Fort St. George Public Works Consultation, 19 October 1847.

READ the following letter:—

No. 851.

From *G. A. Bushby*, Esq., Secretary to the Government of India, to Sir *H. C. Montgomery*, Bart., Secretary to Government, Fort St. George. No. 13.

Sir,

I AM directed to acknowledge the receipt of your letter, No. 182, dated the 7th instant, with enclosures, and to refer you to my letter, No. 819, of the 18th idem, authorizing an outlay of 9,000 rupees for the formation of a bandy trace, to a width sufficient for laden bullocks from Sircy to Dewga.

(signed) *G. A. Bushby,*
Secretary to the Government of India.

Fort William, 25 September 1847.

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EXTRACT from the Proceedings of the Honourable the President of the Council of India, in Council, in the Home Department, under date 4 December 1847.

No. 1,106.

From *G. A. Bushby*, Esq., Secretary to the Government of India, Home Department, to the Secretary to the Government of Fort St. George. No. 3.

Sir,

WITH reference to the letters noted in the margin,* I am directed by the President in Council to transmit to you, for the information of the Most Noble the

* To Fort St. George, dated 18 October 1845, No. 734; 16 Aug. 1845, No. 549.

Devamanny Ghaut.

the Governor in Council, the accompanying extracts from a despatch* from the Honourable the Court of Directors, No. 21, dated 8th September last.

* Para. 40 and 41.

I have, &c.
(signed) *G. A. Bushby,*
Secretary to the Government of India.

Fort William, 4 December 1847.

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Road from Madras to Vicravandy.

## Road from Madras to Vicravandy.

EXTRACT from the Proceedings of the Honourable the President of the Council of India, in Council, in the Home Department, under date 13 Feb. 1847.

No. 18.

No. 14.

From *J. F. Thomas,* Esq., Chief Secretary to the Government of Fort St. George, to *G. A. Bushby*, Esq., Secretary to the Government of India.

Sir,

Public Works Department.

Para. 1. I AM directed by the Most Noble the Governor in Council to acknowledge the receipt of your letter of the 31st October last, drawing the attention of this Government to the orders of the Honourable Court of Directors in their despatch, Judicial Department, No. 10, dated 22d July 1846.

Public Department.

2. I am instructed to observe that, under the orders of the Honourable Court of the 23d September 1845, No. 38, the Government of Fort St. George is empowered to disburse annually a sum of four lacs of rupees in the formation of trunk roads throughout the Presidency, with the proviso, that before a work of this nature is undertaken, the specifications and the amount of expenditure on the work shall be submitted to the Court of Directors. The instance to which your letter refers is one expressly provided for by the Honourable Court's orders; and as this Government has not disbursed the amount of four lacs duly authorized by the Court, it did not appear to his Lordship in Council to come within the scope of the orders of the Honourable Court, in the Judicial despatch referred to by the Honourable the President in Council.

3. I am instructed to forward a copy of the Honourable Court's despatch, and of the Minute of the President, which will more fully explain the reference to the Honourable Court, and to add, that by a recent despatch, dated 11th November 1846, No. 31, the Honourable Court have sanctioned the estimate for the extension of the southern trunk road from Madras to Vicravandy. A copy of this despatch also accompanies this letter.

I have &c.
(signed) *J. F. Thomas,*
Fort St. George, 28 January 1847. Chief Secretary.

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Road from Mercara to Veerajenderpett.

## Road from Mercara to Veerajenderpett.

EXTRACT Public Works Letter from Madras, dated 25 September (No. 11) 1848.

5. YOUR Honourable Court will observe, from the communication recorded in Consultation of the 2d May last, that an outlay of 3,000 rupees has been sanctioned by the Government of India, for the purpose of repairing the road from Mercara to Veerajunderpett, in the province of Coorg.

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EXTRACT

Road from Mercara to Veerajenderpett.

EXTRACT Fort St. George Public Works Diary to Consultation, of 2 May 1848.

17 April.—Received the following letter:—

No. 571.

No. 3.

From *J. Dorin*, Esq., Secretary to the Government of India, to the Chief Secretary to the Government of Fort St. George.

Sir,

I AM directed to transmit to you, for the information of the Honourable the Governor in Council, the accompanying copy of an extract from the proceedings of the Right honourable the Governor-general in Council, in the Foreign Department, No. 749, under date the 24th ultimo, conveying the authority of the Government of India to the disbursement of (3,000) three thousand rupees, for the purpose of repairing the road from Mercara to Veerajenderpett.

Fort William, 4 April 1848. (signed) *J. Dorin*,
Secretary to the Government of India.

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## Roads in Teutacorin.

Roads in Teutacorin.

EXTRACT Public Works General Letter from Madras, dated 16 Dec. (No. 6) 1850.

Formation of roads to connect the Cotton district with the Port of Tutacorin; Revenue Cons., 24 April 1849, Nos. 19, 20; Public Cons., 16 April 1850, Nos. 9, 10; Public Diary, 16 July 1850, Nos. 1, 2; Public Cons., 23 July 1850, Nos. 16, 17; Public Diary, 16 August 1850, Nos. 1 to 3; 24 September 1850, Nos. 3, 4; 17 December 1850, Nos. 25, 26.

Para. 15. REFERRING to para. 2 of our letter in the Revenue Department, dated 7th March 1849, No. 14, we now submit, for the information of your Honourable Court, the further correspondence which has since passed with the Board of Revenue Department of Public Works, on the subject of the formation of roads, &c., to connect the cotton districts with the port of Tutacorin, in the Tinnevelly district.

16. In their letter of the 21st March last, the Board submitted the project of a road from Streevelly-pootoor to Tutacorin, with estimates, amounting, with the modifications and reductions made by them, to Rs. 1,00,463. 2, which it was proposed to disburse from the surplus pagoda funds. This road being one of great importance to the cotton districts through which it is to lead, and referring to the views and opinions already recorded by us on the subject, we sanctioned the proposed outlay; but, considering its large amount, we were of opinion that the civil engineer of the division should be required to visit the work periodically, either in person or through his assistants, and report at least once a month on its progress.

17. The Board subsequently laid before us, with their letter of the 17th June last, a further estimate for the formation of a road through the cotton districts, from Aroopoocottah in Madura, to Eltiapooram in Tinnevelly, amounting to Rs. 73,304. 13; and for completing the trunk line between Streevelly-pootoor to Shevacansee, amounting to Rs. 16,915. 8.

18. Entertaining no doubt that this road, when completed, would be very useful, and greatly facilitate the cotton trade, to which it is desirable to give every aid, we authorized the undertaking; but as the aggregate amount of the proposed expenditure was Rs. 90,220. 5, and there being only Rs. 55,237. 4. 3. available from the surplus pagoda funds in Tinnevelly, set apart under the orders of this Government for works of public utility in that district, we solicited the sanction of the Government of India for the disbursement of the remainder, Rs. 34,983. 0. 9, from the public treasury. In the meantime, we directed that the Tinnevelly portion of the Eltiapooram and Aroopoocottah line, and the portion of the trunk line between Stravelly-pootoor and Shevacansee, be immediately commenced upon with the aid of the available funds, and that the remainder of the work be deferred until the receipt of the sanction of the Government of India.

19. It is gratifying to us to bring to the notice of your Honourable Court another instance of the liberality of the Zemindar of Eltiapooram, who has undertaken to construct, at an estimated cost of 5,353 rupees, a choultry and bridge at that town, on the new road to Tutacorin.

Roads in Teutacorin.

No. 153.

From Sir *H. C. Montgomery*, Bart., Chief Secretary, to *F. J. Halliday*, Esq., Secretary to the Government of India.

Sir,

No. 3. I AM directed by the Right honourable the Governor in Council to transmit the accompanying communication from the Board of Revenue on the expenditure required for the formation of a road through the cotton districts, from Aroopoocottah in Madura, to Eltiapoorum in Tinnevelly, and for completing the trunk line between Streenelly-pootoor and Shevacansee; together with an extract from the Minutes of Consultation of this day's date, containing the views of this Government, and the orders issued on the subject.

Dated 17, 1850, No. 503.

2. The aggregate amount of the proposed expenditure is Rs. 90,220. 5, of which Rs. 55,237. 4. 3 being available for the surplus pagoda funds of the Tinnevelly district, set apart under the orders of this Government, dated 14th July 1846, No. 733, for works of public utility in that district, I am desired to solicit the sanction of the Government of India for the disbursement of the remainder, Rs. 34,983. 0. 9, from the public treasury.

3. It is necessary to add, for the information of the Supreme Government, that a road, of which this now under consideration will form a branch, is being constructed in the Tinnevelly district, at the charge of the pagoda funds, connecting the cotton lands of Tinnevelly with the port of Tuticorin. Copy of extract Minutes of Consultation, sanctioning this work, accompanies.

Dated 16 April 1850, No. 72.

(signed) *H. C. Montgomery*,
Chief Secretary.

Fort St. George, 7 August 1850.

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Toongabuddra Channel.

## Toongabuddra Channel.

EXTRACT from the Proceedings of the Honourable the President of the Council of India in Council, in the Home Department, under date 17 March 1849.

Revenue Department, No. 209.

No. 46. From Sir *H. C. Montgomery*, Bart., Secretary to Government, Fort St. George, to *F. J. Halliday*, Esq., Officiating Secretary to the Government of India.

Sir,

Para. 1. I AM directed by the Right honourable the Governor in Council to transmit copy of a letter from the Board of Revenue in the Department of Public Works, dated 12th February 1849, with its original enclosures, recommending the disbursement of a sum of 10,000 rupees, for widening the Toongabuddra Channel, in the district of Guntoor.

To Government of India, 18 Feb. 1840, No. 203; from Government of India, 22 June 1840, No. 98.

2. It will be in the recollection of the Government of India, that the improvement of the Toongabuddra Channel was undertaken under the sanction conveyed in your letter of the 22d June 1840, for an estimate for Rs. 33,882. 8 10, and the Governor in Council now requests you will draw the attention of that Government to the accompanying extract* from a report furnished during the past year by the Board of Revenue in the Department of Public Works, showing the great advantages already derived from this important work, and to the fact therein communicated of the channel having paid for itself in two years.

*Extract, paras. 18 to 29, of letter dated 11 May 1848.

3. The proposition now submitted is to widen this channel, in order more effectually to secure the supply of the high level tanks under it, the sum estimated for that purpose is 10,000 rupees, which the Board of Revenue consider will be quickly repaid, and the Governor in Council entertaining no doubts of the additional work being highly desirable, has sanctioned the disbursement, subject to the confirmation of the Government of India, which he now requests.

4. The original papers now transmitted it is requested may be returned when no longer required.

I have, &c.

(signed) *H. C. Montgomery*,
Secretary to Government.

Fort St. George, 27 February 1849.

Toongabuddra Channel.

No. 50.

Home Department, No. 202.

From *W. Grey*, Esq., Under Secretary to the Government of India, to Sir *H. C. Montgomery*, Bart., Secretary to Government, Fort St. George.

Sir,

I AM directed to acknowledge the receipt of your letter, No. 209, dated the 27th ultimo, with enclosures, and in reply to state that the President in Council confirms the sanction granted by the Right honourable the Governor in Council, for the disbursement of a sum of 10,000 rupees for widening the Toongabuddra Channel, in the district of Guntoor. The original papers are returned.

I have, &c.
(signed) *W. Grey*,
Under Secretary to the Government of India.

Fort William,
17 March 1849.

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## Cochrane's Canal.

Cochrane's Canal.

Public Works Department, 24 January (No. 2) 1849.

To the Honourable the Court of Directors of the East India Company.

Honourable Sirs,

Para. 1. FROM the papers transmitted with para. 3 of our letter in this department, dated 17th May 1847, No. 3, your Honourable Court will have learnt that we had under our consideration the condition of Cochrane's Canal, which had then become the exclusive property of Government, as well as the expediency of adopting measures for its improvement, in connexion with the general communication along the Katapully Canal and the Pulicat Lake to Soloorpet, and that we had called for a survey sketch plan of the soundings, estimates, and all other information necessary for early operations being commenced upon.

From Hon. Court, 22 July 1846, No. 17, para. 32; to Hon. Court, 17 May 1847, No. 3, para. 2 to 4; to Hon. Court, 13 March 1848, No. 4, para. 19; from Hon. Court, 31 May 1848, No. 12, para. 13.

2. These documents were received and considered in extract Minutes of Consultation, 24th October 1846, when it appeared that a large portion of the work could be performed by dredging, and that for the remainder an outlay of Rs.22,047. 7. 9. would be sufficient. It was our intention to have strongly recommended this disbursement to your Honourable Court, but for the receipt of your public despatch, dated 22 July 1846, wherein you desired that the project submitted in 1822 by Colonel D. Havilland for opening a line of navigation at Doogarauzepatam should be reconsidered, which, as it embraced the extension of the canal, necessarily interfered with that intention.

3. We observe, however, from para. 13 of your despatch in the Public Department, dated 31st May 1848, No. 12, that your Honourable Court, noticing our proceedings of the 24th October 1846, have approved of the measures proposed for improving the water communication to Sooloorpet, under the erroneous impression that we had already sanctioned them.

4. We now submit for your favourable consideration, in connexion with those already before your Honourable Court, a Report, by Captain De Butts, civil engineer of the Second Division, upon the project revived in your despatch of the 22d July 1846, of extending the water communication to Doogarauzepatam. Your Honourable Court will be glad to observe, that Captain De Butts has no hesitation in affirming that there are no difficulties to be apprehended in the execution of such a project; that the work is simple and easy, and that the cost of cutting a canal from Ummencovil to Doogarouzepatam, a distance of 22 miles, 10 yards broad, by three feet wide, would not exceed 25,000 rupees. The only doubt entertained by Captain De Butts is, whether the work will prove remunerative; but upon this subject we refer you to our views recorded on a review of the project in extract Minutes of Consultation, dated 23d January 1849.

Diary to Cons., 24 Jan. 1849, Nos. 13 to 15.

5. The present project is distinct from that which has already been laid before your Honourable Court, and the entire cost may be laid down as follows:

| | Rs. | a. | p. |
|---|---|---|---|
| Improving communication from Madras to Sooloorpett - | 22,047 | 7 | 9 |
| Cutting canal from Ummencovil to Doogarauzepatam - | 25,000 | – | – |
| Rs. | 47,047 | 7 | 9 |



6. Under

Cochrane's Canal.

6. Under the present exigencies of the State, we are unwilling to recommend any expenditure not absolutely necessary, but regarding the inland navigation by this line as of importance to the traffic and revenue, and of great convenience to travellers and others proceeding to Madras from the northern districts, and bearing in mind that of the sum of four lacs annually left at our disposal for the improvement of the internal communication, the actual disbursement has hitherto greatly fallen short of it, we feel no hesitation in recommending the execution of this work, too long neglected.

7. We request, in the first place, your early sanction to the estimate for Rs. 22,047. 7. 9, required for improving the communication to Sooloorpet; and secondly, that you will permit us to expend the further sum of 25,000 rupees for extending the canal to Doorgarauzepatam, when the estimates for that purpose promised by the Board of Revenue shall have been duly received and considered by us.

We have, &c.
(signed) *Henry Pottinger.*
*G. H. Berkeley.*
*D. Eliott.*

Fort St. George, 24 January 1849.

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EXTRACT Revenue General Letter from Madras, dated 6 June (No. 30) 1850.

PARA. 10. WITH reference to our despatch in the department of Public Works, dated 24th January 1849, No. 2, we transmit copy of a correspondence * which has taken place on the subject of the dredge to be employed upon Cochrane's Canal, and the proposed improvement and extension of that canal. It will be seen from the papers recorded on our Consultation of the 9th October last, that in consequence of a communication we received from the Government of India, we have addressed that Government, and requested their sanction for the amount of the estimates submitted by the Board of Revenue; viz. Rs. 22,047. 7. 9, for cutting bends and improving the communication to Pulicat and Sooloorpett, and Rs. 47,274. 15. for extending the canal to the Backwater at Doogoorauzepatam, under the orders of your Honourable Court, making the aggregate expenditure Rs. 69,322. 6. 9.

Public Despatch, 22 July, No. 17, p. 32; 31 May, No. 12, p. 13.

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EXTRACT Revenue Letter from Madras, dated 4 July (No. 33) 1851.

PARA. 1. IN continuation of the correspondence referred to in para. 10 of our letter in this department, dated 6th June 1850, No. 30, we have the honour to submit for the information of your Honourable Court certain propositions made by a Mr. Presgrave for improving Cochrane's Canal and the revenue from it, together with copy of a Memo. recorded by our President, and concurred in by the members of Government, and an extract from the Minutes of Consultation, containing a brief review of past proceedings connected with the subject, and of the orders we have issued in disposal of Mr. Presgrave's communication.

Cons., 1 July 1851.

2. Your Honourable Court will observe that we have declined to entertain Mr. Presgrave's first proposition to build an iron boat, as unsuited to the present condition and prospects of the canal, and that we have likewise refused our consent to his application for a lease of the canal, holding the opinion that all such sources of revenue should be solely under the management of Government and their officers; the remaining propositions relate "to the charge of the canal on monthly remuneration," or "to its maintenance in repair at a certain sum," and have been referred for the consideration of the Board of Revenue.

3. The condition of the canal is not as it should be, and we see no prospect of much improvement being effected by the temporary means adopted by the Board of Revenue and Collector of Madras, as the exigencies arise, unless the more important work which we have long had in contemplation for the extension and more general improvement of this communication throughout its whole range, is

* Dredge for Cochrane's Canal, and extension of the canal to Doogoorazepatam; Cons., 27 March 1849, Nos. 37, 38; 1 May 1849, Nos. 31, 32; 8 May 1849, Nos. 43, 44; 29 May 1849, Nos. 22, 23; 5 June 1849, Nos. 49, 50; 3 July 1849, Nos. 10, 11; 31 July 1849, Nos. 13, 14; Public Works, 8 May 1849, Nos. 9, 10; Revenue, 9 October 1849, Nos. 16 to 18.

is fully carried out. Estimates for this purpose, amounting to Rs. 69,322. 6. 9, were submitted for the sanction of the Government of India on the 5th October 1849, and by them forwarded for the consideration of your Honourable Court. As, however, a long period has since elapsed without any orders having been received, and as it is desirable that the communication should no longer be allowed to continue unimproved, we beg to draw your attention to the subject, and solicit your early orders for the disbursement required for the contemplated work.

Cochrane's Canal.

Diary, 15 October 1850, Nos. 8, 9.

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EXTRACT Revenue Letter from Madras, dated 3 June (No. 25) 1852.

1. IN para. 10 of our despatch, dated 6th June 1850, No. 30, in this department, we informed your Honourable Court that we had addressed the Government of India, and solicited their sanction to the estimates submitted by the Board of Revenue for improving the communication by Cochrane's Canal to Pulicat and Sooloorpett, and for extending the line of navigation to the Backwater at Doogoorauzapatam, amounting in the aggregate to Rs. 69,322. 6. 9.

2. Having received no reply to this application, we again addressed that Government on the 28th June 1850, but up to the present time we have not been favoured with any communication of their wishes on the subject.

3. Your Honourable Court are aware that we feel great interest in the improvement of this communication, that it has been the subject of anxious consideration for several years past, and that its extension to Doogoorauzepatam has been in a great measure suggested and encouraged by your Honourable Court. We are induced, therefore, in reference to the delay that has already taken place, to submit the further correspondence* which has passed on the subject, and to solicit your early orders for the execution of this important work.

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EXTRACT Fort St. George Public Works Consultation of 8 May 1849.

READ the following letter :—

No. 304.

From *F. J. Halliday*, Esq., Secretary to the Government of India, to Sir *H. C. Montgomery*, Bart., Secretary to Government, Fort St. George.

Sir,

IN the despatch to the Court of Directors, forwarded with your letter, No. 51, dated the 20th February last, the President in Council observes, that an application is made by the Government of Madras for the sanction of the Court to a certain outlay of public money. No. 9.

2. This appears to his Honour in Council to be a departure from the practice prescribed by the Charter Act of 1834, an observance of which has been repeatedly enforced in the despatches of the Honourable Court. In their Judicial despatch to the Government of India, No. 10, of 1846, the Court, referring to an intimation which had been made by the Government of India, that they would have thought it proper to postpone the construction of a Penitentiary for the town of Madras if a previous reference had been made to them on the subject, observed as follows :

" We consider it desirable as a general rule, that all questions proposed by the subordinate Presidencies, involving an increase of expenditure, should be submitted for your approval;" and still more recently, referring to a correspondence between the Supreme Government and that of Bombay, the Court have again remarked, that, " except in cases of emergency, a reference to us by a subordinate Government to obtain our sanction to a new item of expense should always be preceded by a reference to the Supreme Government."

3. I am

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* Cons., 2 July 1850, Nos. 22 to 24; 3 September 1850, Nos. 3, 4; 17 September 1850, Nos. 28, 29; 15 August 1851, Nos. 67, 68, and 71, 72; 26 August 1851, Nos. 35, 36; 16 December 1851, Nos. 38, 39; 17 February 1852, Nos. 27, 28; 2 March 1852, Nos. 69, 70; 30 Mar. 1852, Nos. 17, 18.

Cochrane's Canal.

3. I am directed to request the attention of the Right honourable the Governor in Council to the subject, in order that a uniform course of referring all questions of increased expense to the Government of India may obtain for the future.

(signed) *F. J. Halliday*,
Secretary to the Government of India.

Fort William, 21 April 1849.

No. 10. Ordered, that the foregoing letter be recorded.

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No. 951.

No. 18. From Sir *H. C. Montgomery*, Bart., Secretary to Government, to *F. J. Halliday*, Esq., Secretary to the Government of India.

Sir,

I AM directed by the Right honourable the Governor in Council to acknowledge the receipt of your letter, dated 31st April 1849, No. 304, and to request that you will submit, for the early and favourable consideration and orders of the Government of India, the correspondence noted in the margin,* having reference to the improvement of Cochrane's Canal, and its extension under the orders of the Honourable Court of Directors to Doogarauzepatam, the former involving an expenditure of Rs. 22,047. 7. 9, and the latter Rs. 47,274, 15, making in all Rs. 69,322. 6. 9.

*See* below.

2. The Government of India will observe from the correspondence submitted, the anxiety evinced by the local Government for a series of years to improve this communication, which they regard as highly beneficial to the trade and well-being of the country. They entertain confident expectation that the collections from the canal, now averaging 32,000 rupees per annum, will, under the circumstances noticed in extract Minutes of Consultation, dated 23d January 1849, No. 27, be greatly increased, and repay at no distant period the expenditure. This, however, is proposed to be made gradual and divided between the two years required for the execution of the work, and I am desired strongly to recommend it for the sanction of Government.

3. The original papers accompanying this communication it is requested may be returned when no longer required.

(signed) *H. C. Montgomery*,
Fort St. George, 5 October 1849. Secretary to Government.

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EXTRACT Fort St. George Revenue Diary to Consultation, of 15 October 1850.

8 October 1850.—Received the following letter:—

No. 586.

No. 8. Home Department. From *W. Grey*, Esq., Under Secretary to the Government of India, to *T. Pycroft*, Esq., Secretary to Government, Fort St. George.

Sir,

WITH reference to your letter of the 5th October 1849, No. 951, I am directed by the President in Council to state that the early attention of the Honourable the Court of Directors has been solicited to the measures proposed by the Government of Fort St. George, for the improvement and extension of Cochrane's Canal.

2. The original papers which accompanied your letter above-mentioned are herewith returned.

I have, &c.
(signed) *W. Grey*,
Under Sec. to the Govt. of India.

Fort William, 20 September 1850.

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* Extract Minutes Cons., 9 January 1846, No. 14, with chief engineer's memorandum; from Board of Revenue, 8 June 1846, No. 371, with report and letter; Ditto, 30 July 1846, No. 490; Extract Minutes Cons., 20 October 1846, No. 264; Public Despatch from Honourable Court of Directors, No. 17, 22 July, p. 32; Ditto No. 12, 31 May 1848, p. 13; from Board of Revenue, 7 December 1848, No. 932, with four enclosures; Ditto, 11 January 1849, No. 26, with two enclosures; Extract Minutes of Cons., 23 January 1849, No. 27; from Board of Revenue, 20 August 1849, No. 617, with four enclosures and one plan; Extract Minutes Cons., 5 October 1849, No. 950.

No. 634.

Cochrane's Canal.

From Sir *H. C. Montgomery*, Bart, Chief Secretary, to *F. J. Halliday*, Esq., Secretary to the Government of India.

Sir,

Para. 1. UNDER date the 5th October 1849, this Government forwarded a lengthened correspondence on a proposition to improve and extend the line of communication by Cochrane's Canal to Doogarauzepatam, and adverting to the advantages to the community and to the trade of the country, solicited sanction for a disbursement of Rs. 69,322. 6. 9. for carrying out that object; but up to the present time the wishes of the Government of India on the subject have not been made known.

2. The Government of India are aware that this Government feel great interest in the improvement of this communication, that it has been the subject of anxious consideration for several years past, and that its extension to Doogarauzepatam has been in a great measure suggested and encouraged by the Honourable Court of Directors; the Right honourable the Governor in Council, in advertence therefore to the delay that has already taken place on the subject, requests that the attention of the Government of India may be called to it, in order that early orders may be obtained for his guidance.

(signed) *H. C. Montgomery*,
Chief Secretary.

Fort St. George, 28 June 1850.

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(True copies.)

(signed) *T. L. Peacock*,
Examiner of India Correspondence.

# EAST INDIA.

**STATEMENT** of the Quantity of LAND under CULTIVATION in each District of the *Madras* Presidency, distinguishing Land Irrigated and Land under Dry Cultivation, with the Amount of Government Assessment rated thereon, and the Total LAND REVENUE in each District;—And, COPIES of all APPLICATIONS from the Government of *Madras* during the Seven Years from 1847 to 1853, for Sanction for Expenditure for PUBLIC WORKS, with the Answers to such Applications.

(*Mr. Hume.*)

*Ordered, by* The House of Commons, *to be Printed,*
8 & 19 *May* 1854.

[*Price* 10*d.*]



*Under* 12 *oz.*

# EAST INDIA (IMPORTS).

RETURN to an Address of the Honourable The House of Commons, dated 17 August 1860;—*for,*

"COPY of a recent DESPATCH, with Enclosures, from the Governor General of India in Council, on the subject of the VALUATION, &c. of IMPORTS for CUSTOMS DUTIES in *India*."

India Office,
20 August 1860.

FRAS. W. PRIDEAUX,
Secretary, Revenue Department.

(*Mr. Bazley.*)

*Ordered, by* The House of Commons, *to be Printed,*
22 *August* 1860.

BOMBAY BRANCH
OF THE
*Royal Asiatic Society.*
*Class*

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COPY of a DESPATCH, with Enclosures, from the Governor General of India in Council, on the subject of the VALUATION, &c. of IMPORTS for CUSTOMS DUTIES in *India*.

HOME DEPARTMENT.

Separate Revenue.—No. 16 of 1860, June the 29th.

To the Right Honourable Sir *Charles Wood*, Bart., G.C.B., Secretary of State for India.

Sir,

WE have the honour to acknowledge your Separate Revenue Despatch, No. 9, of the 17th of May, calling our attention to the objections which have been raised to the supposed increase which has taken place here in the import duties chargeable upon cotton piece goods and cotton yarn, and in reply we beg to state that the alterations made in the Customs Act of the present year do not include cotton piece goods. According to the Customs Act of 1859, the duties upon cotton manufactures were upon yarns 5 per cent.; upon piece goods 10 per cent., and upon such goods as are included in haberdashery, millinery, and hosiery 20 per cent. The alterations made in the Customs Act of the present year were a reduction in all the 20 per cent. duties to the rate of 10 per cent., and an increase in the duty upon yarns to 10 per cent., thus making the duty upon goods one common and uniform rate.

2. But we suppose that the complaints which have been made in respect to piece goods have reference rather to the new tariff of valuations upon which the *ad valorem* duties are assessed. By the Act XVI. of 1837 it is provided that the Government of Bengal may from time to time fix the value of articles liable to *ad valorem* duty, and the custom has been to revise the rates of valuation once in every three years, in communication with the Chamber of Commerce and others interested therein. A new revision of such rates has been made in the present year, and having been published by the Lieutenant Governor, they have the force of law; but such rates apply only to the port of Calcutta and other ports of Bengal, and not to Bombay or Madras. It seemed to us, however, to be desirable that the rates of value upon which the duties are assessed should be uniform in all places of import, for it is plain that unless the tariffs of valuations are the same, the actual duty paid must vary, though the nominal rates may be the same. We therefore directed that a copy of the new valuations thus made for Bengal should be forwarded to Bombay and to Madras, with a request that an inquiry should be instituted as to how far the same could be adopted by those Governments. We attach hereto the reply of the Government of Bombay, by which you will observe that a great difference prevails in that place, not only in respect to the system, but even in the denominations under which the duties are assessed. This circumstance renders an exact comparison of the rates of valuation somewhat difficult. But you will observe by the report made by Mr. Spooner, the Commissioner of Customs, that in many respects the new Calcutta rates are somewhat more favourable to the importer than those hitherto in use in Bombay.

3. Impressed, however, with the inconvenience arising from this state of things, we have proposed, as you will observe by copies of the correspondence attached hereto, that a committee shall assemble in Calcutta, in which the different local Governments, as well as the different Chambers of Commerce, may be represented, in order that a system uniform in all its parts, and fair rates of valuations, shall be established.

4. While this correspondence has been proceeding, representations have been made to the Government of India by the Chamber of Commerce of Calcutta, complaining of the high rates of the new valuations to which we have already

referred. Upon this point we would draw your attention to the report of the Calcutta Board of Revenue herewith forwarded. As however it appeared that much difference of opinion exists on the subject, you will observe that we hav authorised the Government of Bengal to collect the duties upon certain articles of import, subject to adjustment according to any amended tariff of valuations which may be adopted in accordance with the recommendation of the committee.

5. In conclusion, we would desire to add that, upon inquiry, we have reason to believe that the recent depression in the state of trade, which it appears applies as well to the articles upon which the duties have been reduced from 20 to 10 per cent., as to those upon which no change of duty has taken place, as also to the one article which has been increased—and equally to the trade of Bombay, where the tariff of valuations has remained unchanged, as it does to Calcutta—is attributable mainly to the unusual state of unhealthiness of the Upper Provinces, and especially to the extensive existence of cholera, which has greatly tended to interrupt all ordinary transactions. We trust, however, that this cause will rapidly disappear, and with it the dulness which has recently been felt in the state of trade.

We have, &c.
(signed) *Canning.*
*J. Outram.*
*H. B. E. Frere.*
*J. Wilson.*

Fort William, 29 June 1860.

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(No. 583.)

From *R. Thompson*, Esq., Junior Secretary to the Government of Bengal, to the Secretary to the Government of India, Home Department, dated Fort William, 28 March 1860.

Sir,

Mis. Rev., Customs.

WITH reference to the previous correspondence* on the subject, I am directed to forward, for the consideration and orders of the Honourable the President in Council, a letter, No. 265, dated the 10th instant, with its enclosure in original, from the officiating junior secretary to the Board of Revenue, together with the tariffs or lists of valuations, on which it is proposed to levy in future the import and export customs duties under this Government.

2. I am directed to observe that in ordinary circumstances the Lieutenant Governor would not have hesitated to act at once upon the authority with which he is empowered by Section 3, Act XVI. of 1837, as regards the revision of valuations of articles liable to *ad valorem* duty; and more especially as, according to the Board's estimate, every month during which the authorization of this new tariff of valuations is delayed, a loss of one and a half lacs of rupees is experienced in Bengal alone.

3. With reference, however, to the speech which was made on the 18th ultimo by the Right Honourable Mr. Wilson in Council, in which it was stated to be the intention of the Government of India to apply a uniform valuation to all India, and adverting to the Bill "to amend Act VII. of 1859 (to alter the duties of Customs on goods imported or exported by sea)," which is now under the consideration of the Legislature, the Lieutenant Governor thinks it right to submit the new tariffs for the information of the Government of India before acting upon it.

4. The return of the original enclosures is requested when no longer required.

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* No. 2448, dated 12th December 1859, from the Government of India, Home Department, to the Government of Bengal.
No. 443, dated 13th March 1860, from the Government of Bengal to the Government of India, Home Department.

From Honourable *A. Eden*, Officiating Junior Secretary to the Board of Revenue, to the Secretary to the Government of *Bengal*, No. 265, dated 10 March 1860.

Sir,

With reference to your letter, No. 153, dated 20 January 1859, and to the subsequent correspondence, I am now desired by the Board of Revenue to submit, for the consideration and orders of the Lieutenant Governor, the accompanying tariff of fixed valuations, revised after consultation with the Collector of Customs and the Chamber of Commerce.

2. The Board much regret the delay that has occurred in the submission of this most important report. Such delay was, however, unavoidable. The tariff of valuations has in past years been fixed rather by a compromise between the rates proposed by the Collector of Customs, as representing the interests of Government on the one hand, and the rates proposed by the Chamber of Commerce as representing the interests of the mercantile community on the other hand; but this system appeared to the Board to be at variance with the law, and one which was likely to tell with unequal force on the various branches of trade, and it has therefore been their desire on the present occasion to obtain such data as would enable them to fix the valuations with strict reference to the actual prices during the last three years.

3. In conducting the inquiries necessary to this end, the Board regret to state that they found those articles of trade in which the more influential merchants are principally concerned, generally much undervalued by the tariff committee, while little attention appears to have been paid by them to the valuation on commodities, the traffic in which is for the most part confined to the small traders; and much time has been necessarily occupied in obtaining the requisite information which even now in respect to several articles is not so complete as the Board wished to make it.

4. It will be observed that a few entries of goods which have ceased to be imported, and some which merely served to show the values assessed on articles of the same class, but of double the size or weight, of items immediately preceding them, have been expunged; whilst some have been included with others under the same heading; and a few, such as "angle iron"—now a considerable article of import—have been newly introduced into the table. The valuations now proposed seem calculated to secure to the Government the revenue which the law intends to be derived therefrom, without pressing hardly on the poorer classes of the community.

5. It will be observed that some items in the table show an extraordinary difference between the valuations proposed by the Custom House authorities and those recommended by the Chamber of Commerce, and adopted by the Board. The Board have been unable to ascertain from the head appraiser any intelligible account of the mode in which he arrived at his high valuation on some articles; his estimates appeared to be based upon the casual and, in all probability, exceptional prices of the day on which he made his valuations, rather than upon average prices. The Board in fact see much reason to apprehend that the knowledge possessed by the appraisers is very imperfect; and considering that they have no practical information of the prices of the English and local markets such as would be obtained by actual participation in trade, that they have only the most vague acquaintance with the proportions in which the various qualities of the same class of goods are imported, and that in respect to the prices of many of the articles of commerce they have no knowledge, beyond what they may pick up from time to time in the performance of their duties, it is a matter of no surprise that their information should be most defective.

6. On receiving the valuations proposed by the Collector of Customs, the Board forwarded them to the Chamber of Commerce, and the tariff committee of the Chamber added their own valuations, with a remark that they had, as on a previous occasion, assessed each article for duty "not at its gross market value, but at its market value less the duty which will be levied on it, and the discount and other necessary sale charges to which it is subject."

7. At their subsequent conference with the tariff committee of the Chamber, the Board expressed their opinion that the ready-money market value of the articles previous to payment of duty was the proper value to assess, and under this view of the question they were willing to allow deduction of duty and discount from the average market prices, but declared their inability to recognize the propriety of any further deductions of any sort whatsoever. Inquiry since made, however, has led the Board to alter their opinion as regards discount. This, as far as the purchasers of the goods are concerned, is a fiction originally invented, it is understood, by the banians of European houses for their own benefit. The purchasers pay either ready money or after short periods, but the sale is represented as being for payment in three months, with eight per cent. per annum discount; that is to say, every sale for a sum of 100 rupees, becomes, as far as the consigner of the goods is concerned, a sale for 98 rupees; and the banian, where there is one, and the agent to whom the goods are consigned where there is not a banian, appropriate the difference.

8. Taking this view of the so-called discount system, the Board are clearly of opinion that no deductions on this account can be allowed. Indeed it is against such deductions that the provision in Section 22, Act XIV. of 1336, cited marginally, would appear to be levelled.

"And when the duty is declared to be *ad valorem*, it shall be levied on the market value without deduction."

 9. The

9. The Board's conference with the tariff committee of the Chamber terminated in a declaration by the latter that they objected generally to the valuations placed by the Board on *metals* and *piece goods*, and they accordingly promised to submit a written statement of the grounds of their objections.

10. This letter, which is dated the 15th December, is annexed to this report, and the Chamber's objections will be considered item by item hereafter in connexion with the several articles of commerce to which they relate. These objections are however confined, as respects imports, to the principal articles of cotton manufacture, and the Chamber enter into no particulars regarding *metals*.

11. The strong opposition raised by the Chamber to the Board's valuations led to further inquiry, and from a careful analysis of the Chamber's own price currents, and from other trustworthy reports of the state of the market, the Board have been enabled to ascertain, as they think beyond all dispute, the average value during the last three years of most of the various descriptions of imports which are classed under the head of "metals."

12. The price currents do not afford the same satisfactory evidence of the average value of cotton goods that they do in the case of metals, as the former class of goods is imported in many different qualities, and the price currents do not indicate the proportions in which the different qualities of such goods are brought. Persons engaged in and intimately acquainted with the trade are, in fact, the only sources of correct information as to the average value of these goods, and it is to such persons that the Board have had recourse in order to obtain the necessary information.

13. It will be observed that the tariff committee of the Chamber have in support of their objections referred the Board to "reported sales;" a compilation prepared by a native who doubtless inserts all sales that come to his knowledge, but certainly does not include all the sales of the day; there is, the Board believe, no other similar publication which the committee could have cited, but this compilation is certainly not one which any merchant would ever think of taking as his guide to the condition of the market in the prosecution of his business. The Board are informed and apprehend that it is beyond question that there is a strong and not unnatural desire to keep favourable sales private; and the effect of this is that the publication cited by the Chamber exhibits prices which are calculated to give artificially low averages.

14. Another reason why the averages shown by the tariff committee of the Chamber are, in the opinion of the Board, too low, is, that the committee have fallen into the very extraordinary and palpable error of deducting from the average gross prices of the last three years, not the duty which was actually paid on such goods during that period, but the duty which is now payable; that is to say, in finding the net bonded value of goods in 1857–58, they have deducted throughout not the duty then paid, which would be five per cent., but the present rate of duty, which is 10 per cent. Now, as the price of these goods is dependent upon the rate of duty levied, it is very clear that the only correct mode of taking the average would be on a calculation of the actual net price in bond of the goods during the entire period, and the Board have accordingly calculated their valuation by deducting the five per cent. duty from the gross market price during the years 1857-58, and the first two months of 1859, and 10 per cent. from the months subsequent to March 1859.

15. The main and primary reason, however, why the valuations of the committee differ from those proposed by the Board is, that the interests of the merchants are antagonistic with those of the Government; in support of this conclusion I am desired to remark that though a great number of articles were in the first instance much under-valued by the collector's appraisers, the valuations on these articles were not recommended for enhancement by the Chamber's committee when they returned the tariff. As notable examples of omission of this sort, "printed corahs" may be cited; owing to a mistake of the appraisers, these were valued in the existing tariff at four rupees per piece. The appraisers have now proposed, and the tariff committee have approved of this value being doubled; but the bulk of these goods, it is well known, are brought out for the Rangoon market where they have been selling at prices ranging from 16 to 24 rupees. Again, the committee value elephants' teeth in the import tariff at only 100 rupees per maund, while the same committee place a valuation of 140 rupees on the very same article in the export tariff; an extraordinary discrepancy which shows with what very little attention the tariff committee have assessed their valuations upon goods of this description.

16. The grounds upon which the Board have based their valuations are given in detail below. In stating these grounds, however, I am to remark that trade was paralysed in 1857 by the mutiny, and that during that period prices fell fully 15 per cent.; sales for several months being almost entirely suspended.

## IMPORTS.

Akur-koora or pellitory.

Pellitory is priced, in the English druggists' price currents, at from 34 *s.* to 38 *s.* per cwt.; and 15 rupees per maund seems a sufficiently high valuation, though the tariff committee of the Chamber of Commerce have suggested 30 rupees per maund.

Aloes.

The tariff committee propose to reduce the valuation on aloes from nine rupees to seven rupees per maund. The present price of Judda aloes is seven rupees per maund; while those from

from Socotra are much higher; and 12 rupees per maund will be still very low as an average value.

The present prices of almonds are much higher than 12 rupees per maund, which may be adopted as a low average valuation. — Almonds.

The tariff committee and the appraisers concur in recommending five rupees per seer as the average value of aloe-wood, and the Board have no information leading them to question the propriety of the recommendation. — Aloe-wood.

Alum is, in a London price current for September last, quoted at 7 *l.* 10 *s.* per ton; and the Board are not aware of any good reason for reducing the old valuation. — Alum.

Ambergris is worth in England from 30 *s.* to 40 *s.* per ounce, and may be safely valued at six rupees per sicca weight, or half an ounce, here. — Ambergris.

English price currents show that star aniseed has been rising instead of falling in England, and fully support the old valuation of 16 rupees per maund. — Aniseed, star.

In concurrence with the tariff committee, the Board have maintained the old valuation on antimony, which reference to the English price currents shows to be sufficient. — Antimony.

The Board's information respecting the various kinds of arsenic is imperfect. Lump arsenic is quoted in the London price current at 18 *s.* and arsenic in powder at 13 *s.* per cwt. The importation is not great, and the valuations recommended by the tariff committee are adopted. — Arsenic, white. Ditto yellow. Ditto red. Ditto orpiment.

Asafœtida is disappearing as an article of import, being displaced by supplies of a different article from Caubul. Forty rupees per maund for hing and seven rupees per maund for hingra appear, on inquiry, to be fair valuations. — Asafœtida or hing. Ditto or hingra.

Animal charcoal is chiefly prepared in this country, and the old valuation appears, on inquiry, to be fair. — Animal charcoal.

The head appraiser has recently approved of the tariff committee's valuations on bark quercitron, which the Board have no reason to question. — Bark quercitron.

There is a considerable import of beads of sorts; the Board have reduced the old valuations on scarlet and red beads to 15 annas, and on glass beads from Bohemia, &c., to eight annas, maintaining it in respect to other kinds of beads. — Beads: Common, seed, red, Small scarlet or red, Glass white.

The Board are aware of no reason for reducing the valuation of 40 rupees per box of one pecul on China beads, which are quoted considerably higher at Madras. — Beads, China.

The Board's knowledge of the prices of bdellium is defective, and in the absence of better information, they concur with the tariff committee in maintaining the old valuation. — Bdellium.

The valuation of 30 rupees on bedana, first proposed by the appraisers, appears, on inquiry, in the bazar to be moderate as an average value. The present prices are higher. — Bedana.

Inquiry in the bazar has resulted in showing 3–4 rupees per maund to be a low average valuation of betel-nuts. Present prices are higher. — Betel-nuts.

According to the head appraiser the Board may reduce his valuation in blacking to 4–8 rupees per dozen quarts, which can hardly be excessive. — Blacking.

There has been no difficulty in ascertaining the prices of bottles, and the valuations the Board have affixed are moderate. — Bottles: Quarts, pints, foreign, soda-water, stone.

Brimstone is classified in the English price currents as "rough," "roll." and "flour." Rough brimstone is quoted at from 8 *l.* to 11 *l.* per ton; roll at 12 *l.* 10 *s.*; and flour at 14 *l.* 10 *s.*; and these prices support valuations of 3–8 rupees, four rupees and five rupees per maund. Medicinal brimstone, which is the flour washed in diluted sulphuric acid, is brought out for druggists in small quantities. It may be struck out of the tariff, and be passed like the other drugs and "chemicals" with which it is brought, at the market price of the day. — Brimstone, rough. Ditto roll. Ditto flour.

The Board's information about bugloss is deficient; and the old valuation is left untouched, as the tariff committee and the collector's appraisers would have it. — Bugloss.

The unrefined camphor, which contains about 30 per cent. of impurity, is in powder, while the refined is in cakes. The Board have distinguished the two articles in this manner, and adopt the valuations proposed by the Chamber; which, with reference to English price currents, do not seem inadequate. — Camphor in powder. Ditto in cakes.

The Board have no information leading them to question the valuation on bhimsing or Malay camphor. — Camphor, bhimsing.

The valuation of nine annas per lb. of candles seems moderate. — Candles.

The Board have raised the valuation in Europe sail canvas from 15 rupees to 17–8 rupees; 15 rupees is the lowest price; and it runs up to 21–8 rupees per bolt. The Board are well informed that 17–8 is moderate as an average valuation. — Canvas, Europe sail.

Looking to the English price currents the old valuation of 80 rupees per maund on small cardamums seems sufficient. — Cardamums, small.

The Board uphold the old valuation of 15 rupees per maund on bastard cardamums, which the tariff committee admit to be fair in the export tariff. — Cardamums, bastard.

The Board are informed by a person engaged in the China trade, that they may safely adopt 35 rupees per maund as a moderate valuation of cassia. — Cassia.

There is great difference in the prices of these shells, some of which are worth eight annas each. Inquiry in the bazar has shown that the old valuation should not, at all events, be diminished. — Chanks, green and white.

The Board have valued cheese at nine annas per lb., assured that the valuation is moderate. — Cheese.

China-root is quoted in the English price currents at 9 *s.* per cwt., so that the valuation proposed by the tariff committee seems to the Board to be quite high enough. — China-root.

Chocolate. The Board's information about chocolate is defective; and they have left the old valuation, as the tariff committee have left it, untouched.

Cloves. Inquiry in the bazar has shown that the old valuation in cloves should be reduced, and that 12 rupees is moderate, as an average value.

Cochineal. Cochineal cannot, at all events, be cheaper in India than in England, where it is worth from 3 *s.* 6 *d* to 4 *s.* 6 *d.* per lb. The old valuation of 3-8 rupees per seer should, the Board think, not be reduced.

Cocoanuts. Ditto kernel. Ditto shell. The authorities in the Tenasserim provinces impugn the old valuations on cocoanuts as very erroneous, and inquiry in the bazar shows this to be the case; sure that the valuation is not in excess, the Board have valued cocoanuts at 25 rupees per 1,000; shells (for native hookahs) at 12 rupees per 1,000, and the kernel at seven rupees per maund.

Coffee, Gulf and Red Sea. Looking to prices in England, the Board must be held to have adopted, in 22 rupees per maund, a very low valuation in coffee from the Arabian ports.

Coffee from other places. The Board have preserved the difference made by the tariff committee between coffee from the Arabian ports and that brought from other places.

Coir rope. Coir appears to vary in price from 6 rupees to 10 rupees per maund: and coir rope from 6-8 rupees to 13 rupees per maund: 7 and 8 rupees, the Board think, on these articles respectively, cannot be high valuations.

China ginger. Ditto candied fruit. Ditto preserves. The Board have slightly altered the valuation on China candied fruits and preserves.

Copperas. Copperas is worth about 3 *l.* per ton in England, and 1-8 rupee per maund seems to the Board a fair valuation for it here.

Cordage, English. English cordage is said to be deteriorated by mixture of jute: and from inquiries in the bazar the valuation proposed by the tariff committee seems to the Board to be correct.

Cordage, Manilla. The price of Manilla hemp cordage appears, from inquiries in the bazar, to vary from 15 rupees to 22 rupees per cwt. The Board would adopt 17 rupees as an average valuation.

Corks: French and Spanish. English. The Board have, in concurrence with the tariff committee, reduced the value on corks. Inquiry in the bazar has indicated the old valuations, as the appraisers allow, to be too high.

Corrosive sublimate. The valuation on corrosive sublimate has been reduced by the tariff committee and the appraisers to 3-8 rupees per seer; but, as it is only worth about 2 *s.* 1 *d.* per lb. in England, the Board have fixed the valuation at 2-4 rupees per seer, which seems enough for it here.

Cotton, mule, twist. With regard to mule twist the Board need only remark that had the tariff committee of the Chamber merely deducted the duty actually paid instead of deducting as they have done the present duty, with two per cent. for discount, they would have deduced from the gross average value shown in the 12th paragraph of their letter of the 15th of December last, a net value exceeding that proposed by the Board.

Foreign Turkey red twist. Price currents and the result of inquiries show 1 rupee 7 annas per lb. to be a fair valuation for Turkey red twist.

Turkey red twist; British. On similar grounds 1 rupee 6 annas per lb. has appeared to the Board to be a fair valuation for British Turkey red and imitation German dye red twist.

British twist, orange, red, and other colours. The Board are assured, by trustworthy information, that 12 annas per lb. is a moderate valuation for British twist of orange, red and other colours.

Cotton sewing thread. Cotton sewing thread appears to the Board, from price currents and inquiries, to be moderately valued at 1 rupee per lb. Some kinds were selling at the time of inquiry at from 1 rupee 6 annas to 1 rupee 10 annas per lb. while the lowest were at 12 annas.

Cotton sewing thread in reels. The Board have adopted the valuation of the tariff committee and collector on cotton sewing thread in reels.

Cowries, Maldive. Ditto bazar. Careful inquiry in the bazar has shown the Board that 12 rupees and 5 rupees per maund are low average valuations respectively of maldive and bazar cowries.

Cubebs. Cubebs doubtless reach India at less cost than they reach England, where, in September last, the price was from 160 *s.* to 165 *s.* per cwt. They cannot, the Board think, be valued here at less than 33 rupees per maund.

Cummin seed. Currants. Chamois skins. The Board have adopted the valuation recommended by the tariff committee on cummin seed. They have raised the valuation on currents to 5 annas per lb.; and reduced that on chamois skins to 4 rupees per dozen.

Cutch or catechu. The Board have fixed the valuation suggested by the tariff committee for catechu, which appears to them to be quite high enough.

Dammar. The Board have maintained the old valuation on dammar, in accordance with the recommendation of the tariff committee.

Dates, wet in pots. Do. do. bags. Do. dry do. The Board have found, on inquiry, that 5-8 rupees per maund is a fair valuation for dates in pots; 3 rupees for dates in bags, or mats; and 5 rupees for dry dates.

Deal planks. The Board have unquestionable information that deal planks have been selling, duty paid, at from 65 rupees to 70 rupees per 1,000 feet of one inch thickness, during the last three years. The Board think a valuation of 55 rupees not excessive.

Dried snails. The appraisers and the tariff committee agree in recommending the maintenance of the old valuation on dried snails; and the Board have no information leading them to dissent.

Ebony. The tariff committee and the appraisers agree also in reducing the valuation on ebony to 12 rupees per maund, and the Board have no ground for differing.

Elephants' teeth and grinders. The tariff committee have, as already observed, proposed 140 rupees per maund in the export tariff; and this the Board find, on inquiry, to be a low average valuation. The old valuation on grinders has been maintained.

Felt sheathing. The Board are led to believe that 4 annas per piece is a fair valuation for felt sheathing.

Figs. The Board have valued figs at 6 annas per lb., and the valuation seems moderate.

Fish

Fish maws, from which isinglass is supposed to be sometimes made, sell in the bazar a 80 rupees and upwards per maund, and inquiry shows that the Board cannot impose a lower valuation than 79 rupees. — Fish Maws.

The Board have reduced the valuation on gun and pistol flints as recommended by the tariff committee. — Flints.

The Board are well informed, by persons engaged in the trade, that 45 rupees per barrel of Cape flour, 20 rupees per barrel of Australian, and 25 rupees per barrel of American flour are fair valuations. — Flour, Cape, per barr / Do. do. in sacks / Do. American. / Do. Australian.

The Board's information in respect to frankincense is imperfect, and they have adopted the valuation proposed by the tariff committee. — Frankincense.

Galangal root is quoted in the English price currents at 2 *l.* 1 *s.* per cwt. : this is doubtless the more valuable China variety, which forms the bulk of the import here. The Board cannot affix a lower valuation than that recommended by the appraisers, *i. e. Rs.* 7. 8. per maund. It is quoted at 8 rupees by the collector of customs at Madras. — Galangal.

The valuation by the tariff committee on gall nuts appears to the Board to be correct, from the prices paid by the superintendent of stationery. — Gall nuts.

Careful inquiry in the bazar has elicited that six rupees per maund is moderate, as an average valuation for gambier or white catechu. — Gambier.

Gamboge is quoted at 4 *l.* per cwt. in the English price currents, so that 32 rupees per maund, the valuation suggested by the tariff committee, seems to the Board to be correct. — Gamboge.

The Board have adopted the valuation recommended by the tariff committee for ghee. — Ghee.

The Board are advised, and price currents confirm the fact, that seven rupees per 100 feet is a moderate valuation for crown glass. They have reduced the old valuation on glass plate to nine annas per foot, and the valuation of the tariff committee on broken glass is adopted. — Crown glass. / Glass plate. / Broken glass.

In accordance with the recommendation of the tariff committee the Board have maintained the old valuation on grease and tallow. — Grease and tallow.

The Board have adopted the valuation recommended by the tariff committee for glue. — Glue.

Inquiry in the bazar has tended to show 60 rupees as a fair valuation for gum copal; but, preferring to err on the side of moderation, the Board have adopted the valuation of the tariff committee, or 55 rupees per maund. — Gum copal.

The Board are well advised that gum arabic and gum myrrh should be valued at 12 rupees and 15 rupees respectively. — Gum arabic. / Gum myrrh.

The Board have ascertained, on good authority, that 35 rupees per maund is a low average valuation for gum benjamin. — Gum benjamin.

The Board have reduced the valuation on sporting gunpowder to one rupee per lb., but they cannot affix a lower valuation on blasting and common powder than five annas per lb. This valuation is borne out by a circular from Messrs Pigou & Wilks, which the Board have perused. The valuation suggested by the tariff committee is not, at the present prices, equal to the cost of the materials of which the powder is composed. — Gunpowder, sporting. / Ditto blasting. / Ditto cannon.

The board understand 25 rupees per maund to be a low average valuation for bamboo guns. — Guns, bamboo. / ,, Buns-lo-chun.

The appraisers and the tariff committee concur in reducing the valuation on horns imported, and the Board have no information on the subject leading them to dissent. — Horns, buffalo. / Do. stag.

The Board have left untouched the valuations on horse hair, lamp black, and liquorice root; and they have reduced the valuation on lignum vitæ, as suggested by the tariff committee, but their information respecting these articles is imperfect. — Horse hair. / Lamp black. / Liquorice root. / Lignum vitæ.

The present price of musk per tolah is higher than five rupees, which appears to be moderate as the average valuation. Similarly two rupees per tolah is moderate for musk in pod. — Musk. / Do. in pod.

The Board have adopted the tariff committee's valuation on macaroni. English price currents show it to be quite high enough. — Macaroni.

The old valuation on mace is an extreme one. Inquiry in the bazar shows the Board 14 annas to be a fair valuation. — Mace.

The appraisers are for raising, and the tariff committee for depressing the prices on mahogany. The Board propose maintaining the old valuation. — Mahogany.

The Board have maintained the old valuation on morocco skins in concurrence with the tariff committee. Imitation morocco skins are quoted at Madras at two rupees; the Board have valued them at *Rs.* 1. 8., and they have maintained the old valuation on American skins. — Morocco skins.

The Board have adopted the valuation of the tariff committee on mother-o'-pearl shells. — Mother-o'-pearl shell

The Board have maintained the old valuation on nutmegs, and nutmegs in shell, which inquiry in the bazar shows to be fair, but they have raised the price on wild or jara nutmegs, in accordance with that inquiry, to 10 rupees per maund. — Nutmegs. / Ditto in shell.

The Board find *Rs.* 2. 8. per maund to be a low average valuation of red and yellow ochre. The present prices are higher. — Ochre, red. / Do. yellow.

The Board have maintained the old valuation for oil of sandal wood. Inquiry in the bazar indicates a somewhat higher valuation as the proper one. — Oil of sandal wood.

Similar inquiry shows 18 rupees per seer to be a moderate valuation for oil of cassia. — Oil of cassia.

The Board have adopted the tariff committee's valuation on cocoanut oil. — Oil of cocoanut.

The Board have adopted the present price of boiled linseed oil, as recommended by the tariff committee. — Linseed oil.

Oil of turpentine. Inquiry in the bazar shows *Rs.* 1. 12. per gallon to be a fair valuation of oil of turpentine.

Whale and fish oil. The tariff committee and appraisers recommend no alteration in the old valuation on whale and fish oil.

Grass oil. They also concur in leaving the valuation on grass oil unaltered.

Earth oil. Wood oil. The tariff committee's valuation on earth oil and wood oil are quite high enough.

Teel oil. Koiapootee oil. Utter of roses. The Board have adopted the valuation of the tariff committee on teel oil, Koiapootee oil, and utter of roses.

Paints of sorts. The Board have good information that two annas per lb. is the minimum value of paints. A short time ago they were selling at three annas per lb.

Pepper, black. Do. long. Do. white. Inquiry in the bazaar has shown that *Rs.* 10. 12. and 18 rupees are moderate valuations respectively for black, long and white pepper.

Pimento or allspice. The Board have left the valuation on allspice untouched, as doos the tariff committee. Their information respecting it is imperfect.

Pitch, Europe. Do. coal. Do. American. The present price of Europe pitch is 15 rupees per barrel, holding about 3 cwt. The present price of coal pitch per barrel, holding about 1½ maund, is nine rupees; and the present price of American pitch per barrel, holding 3 cwt., is 10 rupees. The Board are advised that 12 rupees for the first, and seven rupees for each of the last, are fair average valuations.

Staves, pipe, & barrel. Packing hogsheads. Do. puncheon. Packing pipe. Do. butt. Water casks. The Board have adopted the tariff committee's valuations on staves, and have reduced the valuation on water casks to four rupees.

Pistacheo nuts. The tariff committee's valuation on Pistacheo nuts is too high. The present price, 12 rupees per maund, seems to the Board a fair valuation.

Bussorah prunes. The average value of Bussorah prunes appears from inquiry to be 10 rupees per maund.

Europe prunes. Pump leather. Punchopaut. Patent fuel. The Board have adopted the tariff committee's valuation on prunes from Europe, pump leather, paunchopaut and patent fuel.

Raisins. Gulf and red sea. Inquiry in the bazaar has shown that the old valuation on raisins from the Gulf and Red Sea is not excessive.

Raisins, muscatel. Seven annas per lb. appears to be a moderate valuation on muscatel raisins.

Rattans. The Board have adopted the valuation recommended by the tariff committee on rattans. It seems fair, as most of the rattans imported come from Singapore and Penang, and not from Malacca.

Red lead. Ten rupees per maund is, the Board are informed, a moderate valuation for red lead, the price of which is seldom, if ever, lower.

Rose water. The Board have adopted for rose water the valuation recommended by the tariff committee and the appraisers.

Rosin. Inquiry has shown that seven rupees per barrel is a fair valuation for rosin.

Rhubarb. The Board have maintained the old valuation on rhubarb, which, with reference to English price currents, is evidently not excessive.

Saffron. Ditto in cakes. Saffron is quoted in druggists' price currents at from 47*s.* to 48*s.* per lb. in September 1859, and at from 27*s.* to 28*s.* in 1858. The price here for the best saffron is very high; but the Board are informed, by a person engaged in the trade, that 35 rupees per seer may be assumed a fair average valuation for the article. They have reduced the valuation on saffron in cakes to nine rupees per seer.

Sarsaparilla. The valuation put by the tariff committee on sarsaparilla appears from London price currents to be fair.

Sago. The Board have adopted the appraiser's valuation of *Rs.* 4. 8. per maund of sago. It is quoted at six rupees at Madras.

Sandal wood. Inquiry in the bazaar shows 16 rupees per maund to be a fair average valuation for sandal wood, the present price of which is considerably higher.

Bastard sandal wood. Bastard sandal wood is brought to mix with the true kind, and the Board have adopted the tariff committee's valuation for it.

Sapan wood and root. The Board find on inquiry in the bazaar that *Rs.* 3. 8. per maund, the valuation proposed by the collector's appraisers, is fair.

Senna leaf. Silk sewing thread. Soap. The Board have left untouched the old valuation on senna leaf and silk sewing thread, in accordance with the tariff committee, to whose valuations on soap also the Board have agreed.

Stick lac. The Board have put on stick lac the valuation of 10 rupees per maund, which the tariff committee have suggested in the export tariff.

Sunchal. Sulphuric acid. Sugar, loaf. Sugar soft. Storax. Sugar candy, china. On sunchal, sulphuric acid, loaf sugar, soft sugar, storax, and China sugar candy, the Board have agreed to the valuations of the tariff committee.

Tar, Europe. Do. American. Do. coal. The present price of Stockholm tar is about 20 rupees per barrel, that of coal tar about 16 rupees, and that of American from 13 to 16 rupees per barrel; 14 rupees per barrel for the first, nine rupees per barrel for the second, and eight rupees per barrel for the third of these articles is, according to the results of the Board's inquiries, a moderate average valuation.

Tea. The Board have fixed a valuation of three annas per lb. of tea, valued by the importer at not more than four annas, a valuation of six annas on tea similarly valued at not more than eight annas; and a valuation of one rupee on all other kinds of tea.

The

The Board have maintained the old valuations on gold and silver thread, genuine and mock. — Thread, Gold and silver. Mock.

25 rupees per seer is low, as an average valuation of tortoise shell. — Tortoise shell.

13 rupees per barrel appears on inquiry to be moderate as an average valuation for turpentine. — Turpentine.

The Board have adopted the valuation proposed by the tariff committee for European sail, twine, turmeric, and verdigris. — Twine, European, sail. Turmeric. Verdigris.

The Board are informed, by a person in the China trade, that the valuations put by them on Canton and Macao vermillion, at 100 rupees and 40 rupees respectively, are fair, and the fact is confirmed by the price currents of the Chamber of Commerce. — Vermillion, Canton. Ditto Macao.

The Board have adopted the valuations of the appraisers for vermicelli, which should certainly be higher than that on macaroni. — Vermicelli.

The Board affix 14 annas per gallon, under advice of a dealer, on vinegar in wood. — Vinegar in wood.

The Board assign, under competent advice, valuations of 15 annas to steel ribbed, and 10 annas to cane-ribbed umbrellas. The former were, at the time of inquiry, selling at from 12 annas *to Rs.* 1. 3. each, according to quality, and the latter at from 8 annas to 12 annas each. — Umbrellas, steel ribs. Ditto cane ribs.

The Board have adopted the valuation proposed by the Chamber for wax, and found white lead to have averaged, according to the price currents, about 11 rupees per maund. — Wax. White lead.

The Board have, after inquiry, valued bacon, whether in or out of canisters, at 9 annas per pound. — Bacon, fowls and chicks. Ditto, in canisters.

They have found on inquiry that 40 rupees per tierce of beef, and 50 rupees per tierce of pork, are low valuations. — Beef in tierce and barrel. Pork in ditto and ditto.

The Board found on inquiry that 9 annas per pound is a moderate valuation for hams, whether in or out of canisters. — Hams.

Butter has been left by the Board at the old valuation which the appraisers would uphold. — Butter.

The Board are informed by a dealer, that 10 rupees per keg of 6, is a fair valuation for salted tongues. — Salted tongues.

The Board find from examination of the price currents of the Chamber of Commerce, that *Rs.* 4. 8. per bag is the average value of bird shot. — Bird shot.

The Board have adopted the valuation proposed by the tariff committee for old brass, and that proposed by the appraisers for brass leaf and China white copperware to which the tariff committee have not objected. — Brass, old. Ditto, leaf China. Do. white copperware.

The Board originally proposed to affix 42 rupees per maund generally to copper; but on the Chamber's objection, have examined the price currents, and the valuations now affixed are, on the copper described on the margin, with the exception of Japan copper, derived from that source.

Copper, sheet, sheeting, plate. Ditto, bolt. Ditto, nails. Ditto, braziers. Ditto, Australian. Copper, tiles. Ditto, ingots. Ditto, cakes. Ditto brick. Ditto, Japan.

The Board find from examination of the price currents of the Chamber of Commerce that 38 rupees per maund is a fair valuation for new, and 40 rupees per maund for old foreign pigs and slabs of copper. — Copper, foreign pigs and slabs. Ditto, old.

The Board are informed that 22 rupees per maund is a moderate valuation for China cash, and this information is confirmed by other evidence. — China cash.

*Rs.* 3. 10. is shown by the price currents of the Chamber of Commerce to be a fair valuation for iron flat, square and bolt. — Iron, flat, square and bolt.

The Board have good authority for valuing rod iron under half an inch in diameter, at 4 rupees per maund. Price currents indeed indicate a somewhat higher valuation. — Iron rod, under ½ inch.

*Rs.* 3. 11. per maund appears, from the price currents, to be a fair valuation for iron nail rod. — Iron, nail rod.

*Rs.* 11. 6. per cwt. is shown by the same authority to be the fair valuation for iron nails. — Iron nails.

The Board have adopted the valuation proposed by the tariff committee for iron rivets, and have found *Rs.* 4. 10. to be, according to the price currents of the Chamber of Commerce, the proper valuation for hoop, sheet, and plate iron. — Iron rivets. Ditto, hoof. Ditto, sheet. Ditto, plate.

Iron rice bowls are shown by the price currents to be properly valued at *Rs.* 3. 15. per set of 10, and *Rs.* 1. 13. per set of 6. — Iron rice bowls, per set of 10, per seer of six.

*Rs.* 5. 3. 6. is shown, by the price currents, to be the proper value of Swedish iron. — Iron, Swedish.

48 rupees per ton is the value of pig iron shown by the price current of the Chamber. It is at the rate of *Rs.* 1. 12. 2½. — Flat and square. Iron, pigs.

The Board have upheld the old valuation on kentledge, to which the tariff committee do not object. — Kentledge.

The price currents of the Chamber of Commerce show 12 rupees per cwt. to be a low average valuation for anchors, and *Rs.* 7. 11. per cwt. for cables. — Anchors. Cables.

The Board have reduced the valuation on rigging chains to 10 rupees per cwt. They must of course be higher than cables, but are not to be found in the price currents. — Rigging chains.

The Board have left the old valuation on lametta undisturbed as proposed by the tariff committee. — Lametta.

The valuations on pig lead *Rs.* 8. 2., and on sheet lead *Rs.* 9. 10., are derived from the price currents of the Chamber of Commerce. — Pig and sheet lead.

The valuation on sheet lead for tea canisters is derived from a person who imports it. — Sheet lead for canisters.

The Board have, in concurrence with the tariff committee, left the valuations on lead pipes, mock gold leaf, and orsidue untouched. — Lead pipes. Mock gold leaf. Orsidue.

Patent sheathing.

The Board are informed, by persons connected with the trade, that 35 rupees per maund is a low average valuation for patent sheathing, and have, in concurrence with the tariff committee, left the valuation of old sheathing undisturbed.

Quicksilver.
Iron bottles.

The price currents show *Rs.* 2. 1. per seer to be the proper valuation for quicksilver, and the Board have no reason to disturb the old valuation on iron bottles.

Spelter.
Do. nails.
Do. other shapes.

They have adopted the valuations proposed by the tariff committee for spelter.

Steel, British.
Ditto, blistered.
Ditto, cast.
Ditto, spring,
Ditto, Swedish.

They have also adopted the valuations of the tariff committee for British steel, and steel for springs, and have, after inquiry, maintained the old valuations on cast steel to which the tariff committee have not objected. They have affixed *Rs.* 6. 10. and *Rs.* 8. 8. respectively to blistered steel and Swedish steel under authority of the price currents.

Tin, block.
Ditto, plates.

*Rs.* 39. 12. per maund and *Rs.* 17. 11. per box appear, from the price currents, to be respectively fair valuations for block tin and tin plates.

Wire, copper.
Ditto, brass.
Ditto, iron.

The Board have maintained the old valuations on copper wire, to which the tariff committee have not objected, and have reduced the valuations on brass wire and iron wire in concurrence with their recommendation.

Longcloth.
Grey, ditto.

The tariff committee have, in the third paragraph of their letter dated 15th December, exhibited 1 anna 10 pie per yard as the true average value of grey shirtings: but in bringing out this result they have deducted 12 per cent. as discount and duty from the gross average value. Deducting from this value only the duty actually paid, the net value rises to 1 anna 11½ pie per yard; and looking to the foundation on which the gross average value of the committee rests, *i. e.* the reported sales, the Board might reasonably conclude, without reference to other circumstances, that their original valuation of two annas per yard is not excessive.

But the tariff committee appear, from their letter, to have forgotten that a large quantity of 45-inch shirtings, fully 3-16th of the whole, are imported at the same rate of duty as 40-inch shirtings, on which their calculations are exclusively based. There is no approach to a counterbalance of this fact, for, though 36-inch shirtings are imported, the quantity is extremely small; and the conclusion to be drawn, from these facts and the figures furnished by the committee, is inevitable that the valuation proposed by the collector's appraisers on grey shirtings, *i. e.* two annas one pie per yard is moderate, and should finally be adopted.

The tariff committee would have a general allowance of one pie per yard to cover damages, but damaged goods are, under the law and rules of practice, treated exceptionally, and the Board would act contrarily to both were they to make the general allowance solicited.

Longcloth.
White shirtings.

In the 4th paragraph of their letter the tariff committee have exhibited 2 annas 2-08 pie as the average value of bleached shirtings, but, if the only deduction made be the duty actually paid, the net value resulting is 2 annas 2¾ pie per yard. The gross value, however, assigned by the tariff committee rests on a publication which, as has been remarked, is calculated to show low average values; and with reference to this fact and the net value deducible from the tariff committee's figures, the Board hold the valuation of two annas six pie per yard to be probably not excessive. They are, however, advised that this valuation is relatively higher than that adopted for grey shirtings, and that it will be better to preserve the difference of three pie per yard made by the tariff committee on the valuation of the two articles, and they therefore reduce their valuation on bleached shirtings to two annas four pie per yard.

Figured white shirtings, &c.

Deducting only the duty actually paid, the net value of figured white shirtings derived from the tariff committee's figures is 2 annas 3¾ pie per yard. These figures, however, rest on the unsatisfactory basis of "reported sales," and the Board are advised that their valuation of two annas six pie per yard, which is equivalent to 6-4 rupees per piece, is somewhat below the average value of the last three years.

White madapollams.

White madapollams are seldom imported, and the Board have not thought it necessary to object to the valuations proposed by the tariff committee.

Grey madapollams.

Deducting only the duty actually paid for the gross average value of grey madapollams assigned in the tariff committee's letter, the net value is *Rs.* 2. 1. 11½ per piece; the Board are advised that *Rs.* 2. 4. per piece is less than what has been the average value of 3 lb. goods of this kind during the last three years.

White cambrics.

The tariff committee have not specially noticed the Board's valuation on white cambrics; and with advertence to the fact that the great bulk of these goods sell at from three annas eight pie to four annas four pie per piece, their valuation of *Rs.* 2. 12. appears moderate.

Grey cambrics.

The valuation of *Rs.* 2. 4. per piece of grey cambric measuring 12 yards is, the Board are advised, fair.

Mulls and mediums, white.

The Board are informed that one-third of the mulls imported range from *Rs.* 1. 6. to 3 rupees; one-third from *Rs.* 2. 12. to 4 rupees; and one-third from 4 to 12 rupees per piece; and that three rupees is moderate, as an average valuation.

Mulls and mediums, grey.

The Board have adopted the valuation proposed by the tariff committee for grey mulls.

White jaconets.

Deducting only the duty actually paid from the gross average value of white jaconets, as declared in the 6th paragraph of the tariff committee's letter, the net value resulting is *Rs.* 2. 10. 1½ per piece. The committee's figures, however, rest on the objectionable bases of "reported sales," and the Board are informed that fully one-half of these jaconets are sold at prices varying from four to nine rupees per piece, and are well assured that they should not reduce the valuation.

Making

Making only the proper deductions, the net value resulting from the gross average value shown in the 5th paragraph of the tariff committee's report based on the reported sales, which only show 14 out of the 18 lacks of pieces imported rises to *Rs.* 2. 0. 8. per piece, and the Board are informed that at least half the imports during the last three years have been sold at prices ranging from *Rs.* 2. 8. to *Rs.* 3. 8. per piece, and therefore *Rs.* 2. 4. is moderate as an average valuation. **Grey jaconets.**

The tariff committee have not specially objected in their letter to the valuation on lappets. The Board find on inquiry that lappets of low qualities have been much less imported during the last three years; and as half the lappets range from three rupees to *Rs.* 3. 8. per piece, the valuation of *Rs.* 2. 8. is, they are assured, moderate. **Lappets.**

The old valuation on lenoes is unquestioned and untouched. **Lenoes.**

A wide range of fabrics, some selling from *Rs.* 3. 12., is embraced under the head of checked or striped muslins, and the Board are advised that *Rs.* 2. 4. per piece is a low average valuation. **Checked or striped muslins.**

The tariff committee suggested that Nos. 1, 2 and 3, should be valued separately from the other qualities of book muslins, and the Board were desirous of doing so; but they found on inquiry that the several qualities are distinguished by coloured threads running across one end of each piece: and that there was nothing to prevent the manufacturers from putting these marks on any quality of the fabric they might select. They found also that it was quite as reasonable to put separate valuations on the different qualities of these goods, as on those of book muslins, and that provided a low average value be adopted, it is not necessary to admit the innovation. Under these circumstances they have under competent advice adopted as such valuation two rupees per piece. They have introduced into the tariff lawns, the various kinds of which have been imported much more largely of late years. **Book muslins and lawns.**

At least, one-third of the dhoties and saries sell for more than *Rs.* 3. 8. per piece. The tariff committee have doubtless, on this article as on those on which they have reported specially, deducted 12 per cent. instead of merely the duty actually paid, from the gross value in assigning the net value proposed by them: and the Board are advised that three rupees per pair is a fair valuation on these goods some of which sell as high as *Rs.* 4. 8. per pair. **Dhoties and saries.**

With the deductions corrected, the Board's valuation would be about two annas per pair more than that of the tariff committee, whose valuations on cotton piece goods have been found to be generally unduly low. **Dhoties and saries. Printed borders.**

Eight annas per scarf of 45 inches has been stated, by merchants whom the Board have consulted, to be fair. **Scarfs not exceeding 45 inches.**

The Board have adopted the tariff committee's valuation on Dacca scarfs; but it is low. **Dacca scarf. Dacca patterns.**

No alteration has been made or proposed in the valuation of figured lenoes, which are seldom if ever imported. **Figured lenoes.**

The Board are doubtful whether the tariff committee have not made a mistake in their valuations on twills. Price currents indicate two annas nine pie per yard to be, as the Board are advised it is, a fair average valuation. **Twills. Grey and white.**

The Board have adopted the tariff committee's valuation on twilled shirtings. **Twilled shirtings.**

Pocket handkerchiefs run up in the invoices to 23*s.* per dozen; and two rupees per dozen cannot be a high average valuation. **Pocket handkerchiefs.**

Scotch cambrics sometimes sell for more than six rupees per piece; and three rupees per piece cannot be a high average valuation. Indeed, on the supposition that the tariff committee have, in this instance also, deducted from the gross value at the rate of 12 per cent., correction of the deduction would raise the net value nearly to a level with that of the Board. **Scotch cambric.**

The Board have not thought it necessary to touch the old valuation on jean, and have adopted that proposed by the tariff committee for moleskins. **Jean. Moleskins.**

Quilting is one of those articles on which the collector of customs at Madras declares our valuation too low, and the Board are advised that 10 annas per yard is fair. **Quilting.**

Coloured sewed lappets of low qualities are less imported and the bulk brought in now average in value above three rupees per piece. The valuation of *Rs.* 2. 8. is moderate, and indeed, making allowance for excessive deductions by the tariff committee from the gross average value, not much in excess of that proposed by the committee. **Coloured sewed lappets**

The Board have left the old valuations undisturbed, the dimensions of the handkerchiefs being limited to 36 inches. **Bandanahs and printed handkerchiefs.**

The tariff committee have proposed to let the valuation on chintz and prints be by the piece; but as the goods are of very different lengths, varying from eight to 28 yards, it seems better to let the valuation be by the yard. The committee have in the 9th paragraph of their letter already cited specially impugned the Board's valuation on these goods: and their own valuation, were the legitimate deductions only made, rises to *Rs.* 3. 10. 10¾. per piece. The Board are advised that fully half the imports during the last two years have been sold at upwards of five rupees per piece; and that the average valuation should not be less than four rupees per piece, or two annas three pie per yard. **Chints and prints. Ditto twills.**

The Board have found, on inquiry, that low qualities of these goods are now seldom imported: and that *Rs.* 2. 8. per piece is a fair average valuation. **Coloured book muslin.**

The Board's inquiries have led them to conviction that seven annas per yard is fair for cotton velvet. **Cotton velvet.**

Ginghams of low quality are now seldom imported; and four annas six pie per yard or less than seven rupees per piece of 24 yards, is, the Board have found on inquiry, fair. **Ginghams.**

Plates and Bengal stripes. A fair average value on the importations of plates and Bengal stripes, which are not much imported, is, the Board find, *Rs.* 2. 4. per piece.

Printed muslins. The result of the Board's inquiry is, that four annas six pie per yard is a low average valuation for printed muslins.

Printed garments, &c. The tariff committee would leave undisturbed the old valuation for printed garments, &c. The result of the Board's inquiry is, that more than half the imports during the last three years have been sold at from five annas to six annas per yard; and that four annas nine pie is a fair average valuation.

Turkey red cambric. Twills. The tariff committee have in the 10th paragraph of letter impugned the Board's valuation of these goods; but in so doing they have most strangely forgotten that a large quantity of 36-inch goods have been imported, passing in at the same rate of duty as 24-inch goods. Looking to this circumstance, and to the fact that a considerable quantity of 24-inch cambrics have been sold at prices ranging from three annas eight pie to four annas two pie, and many 32-inch cambrics at from four annas six pie to five annas per yard, the valuation proposed by the Board does not appear excessive.

Ticken. Three annas per yard appears from the Board's inquiries to be a low valuation for ticken.

Zebra dresses. The old valuation on zebra dresses is unquestioned and untouched.

Coloured mulls. The Board have, under good advice, placed a valuation of *Rs.* 2. 12. per piece on coloured mulls and jaconets.

Turkey red mulls and jaconets. The tariff committee have, in the 11th paragraph of their letter above cited, specially objected to the Board's valuation on Turkey red mulls and jaconets; but if only the duty actually paid be deducted, instead of 12 per cent., the committee's net valuations rise to *Rs.* 4. 15. 9½. on mulls, and *Rs.* 3. 1. 8½. on jaconets.

Some of these goods, but only small quantities, have been sold at *Rs.* 4. 12. per piece. The bulk of the mulls has, as the Board are well informed, been sold at prices ranging from *Rs.* 5. 6. to *Rs.* 5. 12., while three-fourths of the jaconets have sold at prices rising from *Rs.* 5. 8. to 6 rupees per piece. In the face of these facts the Board cannot consistently with duty make any greater reduction than two annas per piece on jaconets.

Turkey red spots and brocades. The Board have, on inquiry, reduced the valuation on Turkey red spots and brocades to four annas per yard, though they observe that the Chamber have not objected to a higher rate.

Turkey red printed mulls and jaconets. The Board have raised the valuation on printed mulls and jaconets to *Rs.* 5. 12. per piece. They found on inquiry that about one-half of these goods sell at from 6 rupees to *Rs.* 6. 8. while low kinds fetch from *Rs.* 5. 4. to *Rs.* 5. 10. per piece.

Turkey red saries. Saries of superior quality were, when the Board's inquiries were made, worth from *Rs.* 2. 12. to *Rs.* 2. 14. per piece; while those of inferior quality were worth from *Rs.* 2. 2. to *Rs.* 2. 6.; and these, the Board are informed, were average prices.

Turkey red scarfs. On the 12th October last, the Board found Turkey red scarfs worth from *Rs.* 1. 4. to *Rs.* 1. 5.; and they were informed that *Rs.* 1. 2. was a fair average valuation.

Coloured shirtings. Ditto cambrics. The old valuation on coloured shirtings is unquestioned and untouched. On the date just mentioned the prices of coloured cambrics ranged from *Rs.* 3. 4. to *Rs.* 4. 6. per piece, and the Board were advised that as a large quantity of superior quality was imported *Rs.* 3. 8. was a fair average valuation.

Linen dowlas. Ditto drills and ducks. Ditto Irish. Sheeting, Ticken. Brown holland. The Board have maintained the old valuations on the linen goods noted on the margin, to which the tariff committee have made no objection.

Linen thread. The Board have raised the valuation on linen thread under advice of a gentleman engaged in the trade.

Silk velvet. The old valuation on silk velvet is unquestioned and untouched.

Printed corahs. The bulk of the printed corahs are imported for the Rangoon market, where they sell at prices varying from 16 rupees to 24 rupees per piece. The valuation of 14 rupees per piece is moderate.

Bombasin. Muslin de Laine. The old valuations on bombasin and muslin de laine are maintained.

*American Goods (Cotton).*

Drilling. Jean. Sheeting. Shirting, Flannel. The Board have been led on inquiry, to assign to American drilling three annas four pie per yard; to jean three annas nine pie per yard; to sheeting and shirting two annas six pie per yard; and to flannel four annas six pie per yard, as fair average valuations.

*Foreign Europe Goods (Cotton).*

Printed muslin. Ditto handkerchiefs. Printed garments, &c. Turkey red cambrics and twills. Turkey mulls and jaconets. Printed velvet. The Board have, after inquiry, reduced the valuation on printed muslin to five annas per metre; on handkerchiefs to three rupees per dozen; and on printed velvet to eight annas per yard. The old valuations on the other foreign goods of cotton manufacture noted in the margin is maintained.

Crape lise. " single. " double. Gauze. Gros de Naples, &c. Sarsenet, Satin. Waistcoating. Velvet, plain. " figured. Velvet, silk and cotton. The Board have adopted the valuations of the tariff committee on the foreign silk goods noted in the margin, which, with one exception, are identical with the old valuations.

Nankins of 7 cubits length, and 1 cubit width. Grass cloth, single. ,, double. ,, handkerchiefs. The Board have, under advice of a gentleman engaged in the trade, valued nankins at 30 rupees per corge; grass cloth, single, at 16 rupees, and double at 24 rupees per piece; and grass cloth handkerchiefs at *Rs.* 2. 8. per piece.

The

Under the same advice the Board have valued broad camlets at 40 rupees and narrow at 25 rupees per piece. — Camlets.

The old valuations on the articles named in the margin are unquestioned and unaltered. — Gros de Naples. Curtain gauze.

The Board are advised that *Rs.* 2. 8. per yard is a fair valuation on China silk, damask, and damask camlet. — Damask. Ditto camlet.

The old valuations on lutestrings and ponjies is unaltered. — Lutestring. Ponjies.

The Board are advised that one rupee per yard is a fair average valuation of sarsenet and that 16 rupees and eight rupees are, respectively, fair valuations for pieces of silk handkerchiefs of 20 and 10 handkerchiefs per piece. — Sarsenet. Handkerchiefs.

The Board have, on the same authority, assigned two rupees and *Rs.* 2. 8. respectively to plain and figured satins. — Satins, plain. " figured.

The old valuation on China velvet is unquestioned and unaltered. — Velvet.

The only alterations made by the Board in the old valuations on woollen goods consist in raising the valuation on pelisse cloth to *Rs.* 2. 6. per yard, which is moderate; and that of flannel to 12 annas per yard. — Woollen goods.

Worsted braidings are introduced into the tariff on the valuation of six annas three pie per gross. — Worsted braiding.

## EXPORTS.

The Board do not deem it necessary to make any remarks on the valuations in the Export Tariff.

17. In conclusion, Messrs. Dampier and Allen desire me to place on record their sincere acknowledgments for the great care, patience, and labour which their colleague Mr. Stainforth has shown in his endeavours to ascertain the real value of the articles included in the tariff of fixed valuation; they have no hesitation in ascribing any improvement in the degree of approximation which the tariff valuations may bear to the real market prices, to his untiring exertions and energies. The duty was necessarily placed in the hands of one member of the Board, who communicated with the others from time to time, as to his proceedings; and throughout the whole of this delicate and arduous duty, Mr. Stainforth has exhausted every available source from which information could be acquired. Messrs. Dampier and Allen are therefore most desirous to bring prominently before the notice of the Government the very laborious and successful exertions of their colleague in this matter.

## THE NEW CUSTOMS TARIFF.

Fort William, Customs Department,
4 April 1860.

Notice is hereby given, that the Lieutenant Governor of Bengal, under the authority conferred on him by section 3, Act XVI. of 1837, has this day approved and established the following revised Table of fixed valuations for the articles therein mentioned of import and export; and that the said respective values shall, from this date, be the valuations of the said articles for assessment of customs duty thereon at the ports of this Presidency, until further notice.

By Order of the Lieutenant Governor of Bengal,

(signed) *A. R. Young*,
Secretary to the Government of Bengal.

## IMPORT TARIFF.

| Names of Articles. | —— | Rate of Valuation. Rs. a. p. |
|---|---|---|
| Akurkura or pellitory | per maund | 15 – – |
| Aloes | ditto | 12 – – |
| Almonds | ditto | 12 – – |
| Aloe wood | per seer | 5 – – |
| Alum | per maund | 2 8 – |
| Ambergris | per tola | 6 – – |
| Aniseed star | per maund | 16 – – |
| Antimony | ditto | 10 8 – |
| Arsenic, white | ditto | 12 – – |
| Ditto, yellow | ditto | 10 – – |
| Ditto, red | ditto | 16 – – |
| Ditto, orpiment | per seer | – 8 – |
| Ditto, ditto, from China | per maund | 10 – – |
| Assafœtida (Hing) | ditto | 40 – – |
| Ditto (Hingra) | ditto | 7 – – |
| Animal charcoal | ditto | 5 8 – |
| Bark, quercitron | per maund | 10 – – |
| Beads, common | per lb. | – 4 – |
| Ditto, seed | ditto | – 12 – |
| Ditto, red | ditto | – 12 – |
| Ditto, small, scarlet, and red | ditto | – 15 – |
| Beads, glass, white, and coloured | per 1,000 beads | – 8 – |
| Ditto, China | per box of 1 pecul | 40 – – |
| Bdellium | per maund | 6 – – |
| Bedannah, or quince seed | per maund | 30 – – |
| Betlenut | ditto | 3 4 – |
| Blacking, quarts | per doz. | 4 8 – |
| Bottles, wine, quarts, British | per 100 | 8 – – |
| Ditto, pints, British | ditto | 7 8 – |
| Ditto, wine, Foreign | ditto | 3 8 – |
| Ditto, soda-water, glass | ditto | 8 – – |
| Ditto, ditto, stone | ditto | 2 – – |
| Brimstone, rough | per maund | 3 8 – |
| Ditto, roll | ditto | 4 – – |
| Ditto, flour not medicinal | ditto | 5 – – |
| Bugloss | ditto | 8 – – |
| Camphor, crude, in powder | ditto | 22 8 – |
| Ditto, refined cake | ditto | 48 – – |
| Ditto, Bhimsiny | per seer | 80 – – |
| Candles, wax, spermaceti, and composition | per lb. | – 9 – |
| Canvas, Europe sail | per bolt | 17 8 – |
| Cardamums | per maund | 80 – – |
| Ditto, bastard | ditto | 15 – – |
| Cassia | ditto | 35 – – |
| Chanks, green | per 100 | 6 – – |
| Ditto, white | ditto | 3 – – |
| Cheese | per lb. | – 9 – |
| China root | per maund | 4 – – |
| Chocolate | per lb. | 0 8 – |
| Cloves | per maund | 12 – – |
| Cochineal | per seer | 3 8 – |
| Cocoanuts | per 1,000 | 25 – – |
| Cocoanuts, shell | per 1,000 | 12 – – |
| Ditto, kernel | per maund | 7 – – |
| Coffee, Gulf and Red Sea | ditto | 22 – – |
| Ditto, other places | ditto | 18 – – |

| Names of Articles. | —— | Rate of Valuation. Rs. a. p. |
|---|---|---|
| Coir | per maund | 7 – – |
| Ditto, rope | ditto | 8 – – |
| China ginger syrup, in quart bottles | per doz. | 12 – – |
| Ditto candied fruits, in small tubs of 5 catty | per tub | 2 – – |
| Ditto preserves, in boxes of 6 small jars | per box | 9 – – |
| Copperas, green | per maund | 1 8 – |
| Cordage, hemp | per cwt. | 13 – – |
| Ditto, ditto, Manilla | ditto | 17 – – |
| Corks, French and Spanish | per gross | 1 8 – |
| Ditto, English, and other | ditto | 1 – – |
| Corrosive sublimate | per seer | 2 4 – |
| Cotton mule twist, or cotton yarn | per morah | – 4 6 |
| * Ditto, Foreign Turkey red, or German dye red | per lb. | 1 7 – |
| * Twist, British, Turkey red, and imitation German dye red | ditto | 1 6 – |
| * Ditto, orange, red, and other colours | ditto | – 12 – |

* *N.B.* – Duty to be charged on the grey weight of co'oured yarn, when not ascertainable the actual wharf weight, or invoice, to be taken.

| | | |
|---|---|---|
| Cotton sewing thread | per lb. | 1 – – |
| Ditto, in reels | p' doz. reels | 0 4 – |
| Cowries, Maldive | per maund | 12 – – |
| Ditto, Bazar | ditto | 5 – – |
| Cubebs | ditto | 38 – – |
| Cummin seed | ditto | 9 – – |
| Currants | per lb. | – 5 – |
| Chamois' skins | per doz. | 4 – – |
| Cutch or catechu | per maund | 7 – – |
| Damar | per maund | 4 – – |
| Dates, wet, in pots | ditto | 5 8 – |
| Ditto, in bag | ditto | 3 – – |
| Ditto, dry | ditto | 5 – – |
| Deal, or pine planks and boards, per 1,000 superficial square feet and one inch thickness | – – – | 55 – – |
| Dried snails | per maund | 40 – – |
| Ebony | per maund | – 12 – |
| Elephants' teeth, or tusks | ditto | 140 – – |
| Ditto grinders | ditto | 12 – – |
| Felt, sheathing 40+32 inches | per piece | – 4 – |
| Figs | per lb. | – 6 – |
| Fish maw | per maund | 70 – – |
| Flints, gun and pistol | per 1,000 | 2 4 – |
| Flour, Cape | per barrel not exceeding 200 lbs. | 45 – – |
| Flour, in sacks of 200lb. | per sack | 45 – – |
| Ditto, Australian | per barrel | 20 – – |
| Ditto, American | ditto | 25 – – |
| Frankincense, or olibanum | per maund | 5 – – |

| Names of Articles. | — | Rate of Valuation. | | |
|---|---|---|---|---|
| | | *Rs.* | *a.* | *p.* |
| Galangal | per maund | 7 | 8 | – |
| Gall nuts | ditto | 22 | – | – |
| Gambier | ditto | 6 | – | – |
| Gamboge | ditto | 32 | – | – |
| Ghee | ditto | 15 | – | – |
| Glass, crown, of sizes | per 100 feet | 7 | – | – |
| Ditto, plate, not silvered | per foot | – | 9 | – |
| Ditto, broken | per maund | 4 | – | – |
| Grease and tallow | ditto | 10 | – | – |
| Glue | per seer | – | 8 | – |
| Gum, copal | per maund | 55 | – | – |
| Ditto, Arabic | ditto | 12 | – | – |
| Ditto, Benjamin | ditto | 35 | – | – |
| Ditto, myrrh | ditto | 15 | – | – |
| Ditto, bamboo or bunslochun | ditto | 25 | – | – |
| Gunpowder, sporting | per lb. | 1 | – | – |
| Ditto, cannon & blasting | ditto | – | 5 | – |
| Horns, buffalo | per 100 | 6 | – | – |
| Ditto, stag or deer | per maund | 5 | – | – |
| Horse hair | ditto | – | 8 | – |
| Lamp black | per maund | 8 | – | – |
| Liquorice root | ditto | 5 | – | – |
| Lignum vitæ | ditto | 1 | 8 | – |
| Musk | per tola | 5 | – | – |
| Ditto in pod | ditto | 2 | – | – |
| Macaroni | per lb. | – | 4 | – |
| Mace | per seer | – | 14 | – |
| Mahogany, in logs, per superficial square foot of one inch thickness | – | – | 3 | – |
| Morocco skins | per skin | 4 | – | – |
| Ditto, imitation or roan | ditto | 1 | 8 | – |
| Ditto, American | ditto | 1 | 8 | – |
| Mother-o'-pearl shells | per maund | 6 | – | – |
| Nutmegs | per seer | 1 | 4 | – |
| Ditto, in shell | ditto | – | 12 | – |
| Ditto, wild | per maund | 10 | – | – |
| Ochre, red and yellow | per maund | 2 | 8 | – |
| Oil, sandal wood | per seer | 16 | – | – |
| Ditto, cassia | ditto | 18 | – | – |
| Ditto, cocoanut | per maund | 10 | – | – |
| Ditto, linseed | p' imperial gallon | 1 | 12 | – |
| Ditto, turpentine | ditto, ditto | 1 | 12 | – |
| Ditto, whale and fish | per maund | 9 | – | – |
| Ditto, grass | per seer | 7 | – | – |
| Ditto, earth | per maund | 8 | – | – |
| Ditto, wood | ditto | 6 | – | – |
| Ditto, teel | ditto | 8 | – | – |
| Ditto, koiapotie | per qt. bottle | 2 | 4 | – |
| Ditto, ottar of roses | per tola | 3 | – | – |
| Paints of sorts | per lb. | – | 2 | – |
| Pepper, black | per maund | 10 | – | – |
| Ditto, long | ditto | 12 | – | – |
| Ditto, white | ditto | 18 | – | – |
| Pimento, or allspice | ditto | 40 | – | – |
| Pitch, Europe | per barrel | 12 | – | – |
| Ditto, American | ditto | 7 | – | – |
| Ditto, coal | ditto | 7 | – | – |
| Staves, pipe | p' 100 staves | 6 | 4 | – |
| Ditto, barrel | ditto | 3 | – | – |
| Packs, hogshead, complete | per pack | 2 | – | – |
| Ditto, puncheon, ditto | ditto | 4 | – | – |
| Packs, butt and pipe, complete | ditto | 4 | – | – |

| Names of Articles. | — | Rate of Valuation. | | |
|---|---|---|---|---|
| | | *Rs.* | *a.* | *p.* |
| Water casks, of sizes | per cask | 4 | – | – |
| Pistachio nuts | per maund | 12 | – | – |
| Prunes, Bussorah | ditto | 10 | – | – |
| Ditto, Foreign Europe | per lb. | – | 8 | – |
| Pump leather | ditto | – | 10 | – |
| Panchopaut | per maund | 5 | 8 | – |
| Patent fuel | per ton | 13 | – | – |
| Raisins, Gulf and Red Sea | per maund | 5 | – | – |
| Ditto, Monocka, Gulf, and Red Sea | ditto | 5 | – | – |
| Ditto, muscatel or bloom | per lb. | – | 7 | – |
| Rattans | per maund | 4 | – | – |
| Red lead | ditto | 10 | – | – |
| Rose water | ditto | 20 | – | – |
| Rosin | per barrel | 7 | – | – |
| Rhubarb | per maund | 35 | – | – |
| Saffron | per seer | 35 | – | – |
| Ditto, in cakes or lumps | ditto | 9 | – | – |
| Sarsaparilla | ditto | 2 | – | – |
| Sago | per maund | 4 | 8 | – |
| Sandal wood | ditto | 16 | – | – |
| Ditto, ditto, bastard | ditto | 1 | 8 | – |
| Sapan wood and root | ditto | 3 | 8 | – |
| Senna leaf | ditto | 4 | – | – |
| Silk sewing thread, China | per catty | 8 | – | – |
| Soap, bar | per lb. | – | 1 | 9 |
| Ditto, cake | ditto | – | 8 | – |
| Ditto, ditto | per doz. | 1 | – | – |
| Stick lac | per maund | 10 | – | – |
| Sanchal, or black medicinal salt | ditto | 5 | – | – |
| Storax, liquid | ditto | 20 | – | – |
| Sulphuric acid | per lb. | – | 2 | – |
| Sugar loaf | ditto | – | 4 | – |
| Ditto soft | per maund | 8 | – | – |
| Sugar candy, China, in tubs of ½ pecul | each | 8 | – | – |
| Tar, Swedish and Archangel | per barrel | 14 | – | – |
| Ditto, American | ditto | 9 | – | – |
| Ditto, coal | ditto | 8 | – | – |
| Tea of value not above 4 annas | per lb. | – | 3 | – |
| Ditto, ditto, above 4 annas, and not above 8 annas | ditto | – | 6 | – |
| Tea of value above 8 annas | ditto | 1 | – | – |
| Thread, gold | per oz. | 3 | 12 | – |
| Ditto, silver | ditto | 2 | 12 | – |
| Thread, mock, gold and silver | ditto | – | 8 | – |
| Tortoise shell | per seer | 25 | – | – |
| Turpentine | per barrel | 13 | – | – |
| Twine, Europe sail | per lb. | – | 6 | – |
| Turmeric | per maund | 2 | 8 | – |
| Verdigris | ditto | 60 | – | – |
| Vermillion, Canton | per box of 90 bundles | 100 | – | – |
| Ditto, Macao | per box | 40 | – | – |
| Vermicelli | per lb. | – | 6 | – |
| Vinegar, in wood | per impl. gal. | – | 14 | – |
| Umbrellas, cotton, steel ribs | each | – | 15 | – |
| Ditto, ditto, cane ribs. | ditto | – | 10 | – |
| Wax | per maund | 40 | – | – |
| White lead | ditto | 11 | – | – |

| Names of Articles. | —— | Rate of Valuation. |
|---|---|---|
| | | *Rs. a. p.* |
| **Provisions, Salted, viz.:** | | |
| Bacon, jowls and cheeks | per lb. | – 9 – |
| Ditto, in canister | ditto | – 9 – |
| Beef and pork | per tierce beef | 40 – – |
| | per tierce pork | 50 – – |
| Ditto, ditto | per barrel beef | 20 – – |
| | per barrel pork | 25 – – |
| Hams | per lb. | – 9 – |
| Ditto, in canister | ditto | – 9 – |
| Butter | ditto | – 12 – |
| Salted tongues | per keg of 6 | 10 – – |
| **Metals, viz.:** | | |
| Bird shot | per bag | 4 8 – |
| Brass old | per maund | 26 – – |
| Ditto, leaf, China | per box of 100 bundles | 100 – – |
| China, white copper-ware | per catty | – 3 8 |
| Copper sheet, sheathing and plate | per fy. md. | 42 – – |
| Ditto, bolt | ditto | 45 – – |
| Copper nails and composition nails | ditto | 40 – – |
| Ditto, brazier's | ditto | 44 – – |
| Ditto, Australian | ditto | 46 – – |
| Copper, tiles, ingots, cakes, and bricks | per fy. md. | 41 – – |
| Ditto, Japan | per maund | 42 – – |
| Ditto, pigs and slabs (foreign) | per fy. md. | 38 – – |
| Ditto, old | ditto | 40 – – |
| China cash | ditto | 22 – – |
| Iron, flat, square and bolt, including Scotch | ditto | 3 10 – |
| Ditto, rod, under half-inch diameter | per maund | 4 – – |
| Ditto, nail rod | ditto | 3 11 – |
| Ditto, nails | per cwt. | 11 6 – |
| Ditto, rivets | ditto | 12 – – |
| Iron, hoop, plate and sheet | per maund | 4 10 – |
| Ditto, rice bowls | per set of 10 | 3 15 – |
| Ditto, ditto | per set of 6 | 1 13 – |
| Ditto, Swedish, flat and square | per maund | 5 3 6 |
| Ditto, pig | ditto | 1 12 – |
| Ditto, Kentledge | ditto | – 10 – |
| Ditto, anchors and ditto with wooden stocks | per cwt. | 12 – – |
| Ditto, cables | ditto | 7 7 – |
| Ditto, rigging and other chains | ditto | 10 – – |
| Lametta, single | per corge | 2 4 – |
| Ditto, double | ditto | 4 8 – |
| Lead, pig | per fy. md. | 8 2 – |
| Ditto, sheet | ditto | 9 10 – |
| Ditto, thin sheet, for tea canisters | per cwt. | 30 – – |
| Ditto, pipes | per maund | 10 – – |
| Mock, gold leaf | per packet of 10 books | 2 8 – |
| Orsidue, foreign, Europe | per corge | – 10 – |
| Ditto ditto | per lb. | 1 4 – |
| Patent metal sheathing | per maund | 35 – – |
| Ditto, old | ditto | 25 – – |
| Quicksilver | per seer | 2 1 – |
| Iron bottles | per bottle | – 8 – |
| Spelter, sheet | per maund | 18 – – |
| Ditto, nails | ditto | 15 – – |

| Names of Articles. | —— | Rate of Valuation. |
|---|---|---|
| | | *Rs. a. p.* |
| **Metals, &c.—*continued.*** | | |
| Spelter, plate and other shapes | per maund | 10 – – |
| Steel, British | ditto | 7 – – |
| Ditto, blistered | per fy. md. | 6 10 – |
| Steel, cast | per maund | 20 – – |
| Ditto, spring | ditto | 7 12 – |
| Ditto, Swedish | per fy. md. | 8 8 – |
| Tin, block | ditto | 39 12 – |
| Ditto, plated | per box | 17 11 – |
| Wire, copper | per lb. | 1 – – |
| Ditto, brass | ditto | – 11 – |
| Ditto, common iron | ditto | – 2 3 |

*N. B.*—In places where the value is assigned per maund and where neither factory nor bazar maunds are indicated, Indian maunds are to be reckoned.

| Names of Articles. | —— | Rate of Valuation. |
|---|---|---|
| | | *Rs. a. p.* |
| **Piece Goods, White and Grey, Cotton, British, viz.:** | | |
| Long cloth and shirtings, white, not exceeding 45 inches in width | per yard | – 2 4 |
| Ditto, ditto, grey, ditto, ditto | ditto | – 2 1 |
| Brocades spotted or striped shirtings, not exceeding 36 inches wide | ditto | – 2 8 |
| Madapolams, white, 26 yards long, and under 35 inches wide, and under | per piece | 2 8 – |
| Madapolams, grey, 26 yards long, and under 35 inches wide, and under | ditto | 2 4 – |
| Cambrics, white, of 12 yards, not exceeding 45 inches in width | ditto | 2 12 – |
| Cambrics, grey, of 12 yards, not exceeding 62 inches in width | ditto | 2 4 |
| Mulls and mediums, white, of 20 yards, not exceeding 45 inches wide | ditto | 3 – – |
| Ditto, ditto, grey, ditto, ditto | ditto | 1 10 – |
| Jaconets, white, of 20 yards | ditto | 3 4 – |
| Ditto, grey, of 20 yards | ditto | 2 4 – |
| Lappets of 10 yards | ditto | 2 8 – |
| Lenoes, plain, ditto | ditto | 1 8 – |
| Checked or striped muslin ditto | ditto | 2 4 – |
| Book muslin, plain, of 10 yards, not exceeding 45 inches wide, Nos. 1 to 3 | ditto | 2 – – |
| Ditto, ditto, other Nos. | ditto | 2 – – |
| Dhootees and sarees | per pair | 3 – – |
| Ditto, ditto, printed borders | ditto | 2 4 – |
| Scarfs, not exceeding 45 inches in width | per scarf | – 8 – |
| Ditto, Dacca pattern | ditto | 2 4 – |
| Figured linoes and mountain ganze, of 10 yards | per piece | 2 8 – |
| Twills, grey, and imitation grey American drilling | per yard | – 2 9 |
| Ditto, white | ditto | – 2 9 |
| Grey and white twilled shirtings, not exceeding 40 inches in width | ditto | – 2 – |
| Pocket handkerchiefs | per piece of 1 doz. | 2 – – |

| Names of Articles. | —— | Rate of Valuation. |
|---|---|---|
| | | *Rs. a. p.* |
| **Piece Goods, White and Grey, &c., British—*contd.*** | | |
| Scotch cambric, of 7½ yards, not exceeding 36 inches in width | per piece | 3 — — |
| Jean, satin jean and drills, white and coloured | per yard | — 4 — |
| Moleskins, cartoon and corderoy, white and coloured | ditto | — 5 6 |
| Quilting, white, coloured and embossed | per yard | — 10 — |
| Coloured sewed lappets of 10 yards | per piece | 2 8 — |
| **Piece Goods, Cotton, Printed and Dyed, British, viz.:** | | |
| Bandanahs and printed handkerchiefs, not exceeding 36 inches in width | per doz. | 1 5 — |
| Chintz and prints, plain cloth, not exceeding 28 yards | per piece | 4 — — |
| | per yard | — 2 3 |
| Ditto, twills, ditto | per piece | 4 — — |
| | per yard | — 2 3 |
| Coloured book muslin of 10 yards | per piece | 2 8 — |
| Cotton, velvets and velveteen, plain, printed and embossed | per yard | — 7 — |
| Ginghams | ditto | — 4 6 |
| Plates, and Bengal stripes, plain cloth, not exceeding 28 yards | per piece | 2 4 — |
| Printed muslin | per yard | — 4 6 |
| Ditto garments, or Turkey red chintz and prints | ditto | — 4 9 |
| Turkey red cambric, Turkey red shirting, and Turkey red twills of 32 inches wide and under | ditto | — 4 — |
| Ditto, ditto, ditto, above 32 inches wide | ditto | — 6 — |
| Ticken | ditto | — 3 — |
| Zebra dresses | per piece | 1 — — |
| Coloured mulls and jaconets, of 20 yards | ditto | 2 12 — |
| Turkey red mulls, of 20 yards | ditto | 5 4 — |
| Turkey red mulls, jaconets, of 20 yards | ditto | 5 6 — |
| Ditto, ditto, spots and brocades, not exceeding 36 inches wide | per yard | — 4 — |
| Ditto, ditto, printed mulls and jaconets, of 20 yards | per piece | 5 12 — |
| Turkey red sarees, of 5 yards | ditto | 2 4 — |
| Ditto, ditto, scarfs, of 3 yards | per scarf | 1 2 — |
| Coloured shirtings, plain cloth, of 40 yards, not exceeding 40 inches wide | per piece | 6 — — |
| Coloured cambric, plain or embossed, of 28 yards and under | ditto | 3 8 — |
| **Piece Goods, Linen, Silk and Mixed, British, viz.:** | | |
| Linen dowlas, white and grey | per yard | — 4 — |
| Linen drills and ducks | ditto | — 9 — |
| „ Irish | ditto | — 12 — |
| „ sheeting | ditto | — 12 — |
| „ ticken | ditto | — 6 — |
| „ brown holland | ditto | — 5 — |
| „ thread | per lb. | — 12 — |
| Silk velvet | per yard | 6 8 — |

| Names of Articles. | —— | Rate of Valuation. |
|---|---|---|
| | | *Rs. a. p.* |
| **Piece Goods, Linen, Silk, and Mixed, British—*continued.*** | | |
| Printed corahs, or handkerchiefs | per piece of 7 handkerchiefs | 14 — — |
| Bombasins | per yard | — 7 — |
| Muslin de laine | ditto | — 4 6 |
| **Piece Goods, White and Grey, Cotton, American, viz.** | | |
| Drilling | per yard | — 3 4 |
| Jean | ditto | — 3 9 |
| Sheeting | ditto | — 2 6 |
| Shirting | ditto | — 2 6 |
| Flannel | ditto | — 4 6 |
| **Piece Goods, Cotton, Foreign Europe, viz.** | | |
| Printed muslins | per meter | — 5 — |
| Ditto, handkerchiefs, and printed shawl handkerchiefs | per dozen | 3 — — |
| Printed garments, or Turkey red prints and chintz | per yard | — 5 — |
| Turkey red cambric, and Turkey red twills, of 36 inches wide and under | ditto | — 4 6 |
| Ditto, ditto, above 36 inches | ditto | — 6 6 |
| Ditto mulls and jaconets, of 20 yards | per piece | 6 — — |
| Printed velvet, plain, figured, and embossed | per yard | — 8 — |
| **Piece Goods, Silk, Foreign Europe, viz.** | | |
| Crape, lise | per metre | — 10 — |
| | or per aune | — 12 — |
| Ditto, single | per piece | 6 — — |
| Ditto, double | per double piece. | 12 — — |
| Gauze | per metre | 1 4 — |
| | or per aune | 1 8 — |
| Gros-de-Naples, plain, and figured, and other silks | per metre | 1 4 — |
| | or per aune | 1 8 — |
| Sarsenet | per metre | — 10 — |
| | or per aune | — 12 — |
| Satin, plain and figured | per metre | 1 4 — |
| | or per aune | 1 8 — |
| Waistcoating | per metre | 3 — — |
| Velvet, plain | ditto | 5 — — |
| Ditto, figured | ditto | 6 4 — |
| **Piece Goods, Mixed, Foreign Europe, viz.** | | |
| Velvet, silk and cotton mixed | per yard | 4 — — |
| **Piece Goods, Cotton and Grass Cloth, China, viz.** | | |
| Cotton Nankins, of 7 cubits in length, and 1 cubit in width | per corge | 30 — — |
| Grass cloth, single | per piece | 16 — — |
| Ditto, ditto, double | ditto | 24 — — |
| Ditto, ditto, handkerchiefs | per piece of 10 handkerchiefs | 2 8 — |

| Names of Articles. | —— | Rate of Valuation. | | |
|---|---|---|---|---|
| | | *Rs.* | *a.* | *p.* |
| **Piece Goods, Silk, China, viz.** | | | | |
| Camlets, of 18 yards | per piece | 40 | – | – |
| Ditto, narrow | ditto | 25 | – | – |
| Gros-de-Naples | per yard | 1 | 8 | – |
| Curtain, gauze, plain single | per piece | 4 | 8 | – |
| Ditto, ditto, double | ditto | 9 | – | – |
| Ditto, ditto, figured single | ditto | 6 | – | – |
| Ditto, ditto, double | ditto | 12 | – | – |
| Damask | per yard | 2 | 8 | – |
| Ditto, camlet | ditto | 2 | 8 | – |
| Lutestring, of 18 yards | per piece | 13 | – | – |
| Ditto, of 30 yards | ditto | 22 | – | – |
| Poonjee | ditto | 20 | – | – |
| Sarsenet | per yard | 1 | – | – |
| White and coloured handkerchiefs | per piece of 20 handkerchiefs | 16 | – | – |
| Ditto, ditto | per ditto of 10 ditto | 8 | – | – |
| Satin, plain, of 18 yards | per yard | 2 | – | – |
| Ditto, figured, of ditto | ditto | 2 | 8 | – |
| Velvet | per piece | 28 | – | – |

*N. B.*—Piece Goods exceeding in dimensions those specified, to be assessed proportionately.

| Names of Articles. | —— | Rate of Valuation. | | |
|---|---|---|---|---|
| | | *Rs.* | *a.* | *p.* |
| **Woollens, &c., British and Foreign, viz.** | | | | |
| Blankets | per pair | 8 | – | – |
| Bombazette | per yard | – | 5 | – |
| Broad cloth, and lady's cloth, superfine | ditto | 7 | – | – |
| Broad cloth, and lady's cloth, fine | ditto | 3 | – | – |
| Ditto, medium | ditto | 2 | – | – |
| Ditto, coarse | ditto | – | 14 | – |
| Pelisse cloth, lady's cloth, ordinary and Spanish stripes | ditto | 2 | 6 | – |
| Kerseymere and doeskin | ditto | 2 | 4 | – |
| Bunting | per piece | 12 | – | – |
| Camlet, not exceeding 28 yards | ditto | 17 | – | – |
| Flannel, not coloured and printed | per yard | – | 12 | – |
| Shalloons, not exceeding 28 yards | per piece | 20 | – | – |
| Serge or long ells, white, not exceeding 24 yards | ditto | 11 | – | – |
| Serge and purpet, coloured, not exceeding 24 yards | ditto | 10 | – | – |
| Merino | per yard | – | 12 | – |
| Ditto, foreign | ditto | 1 | 2 | – |
| Wools for embroidery | per lb. | 4 | 8 | – |
| Worsted braiding | per gross | – | 6 | 3 |

## EXPORT TARIFF.

| Names of Articles. | —— | Rate of Valuation. | | |
|---|---|---|---|---|
| | | *Rs.* | *a.* | *p.* |
| Ajwan, or lorage | per maund | 2 | 8 | – |
| Ditto, korisan | ditto | 5 | – | – |
| Aloe wood | per seer | 5 | – | – |
| Arrow root, in canister | per maund | 16 | – | – |
| Ditto, common | | | | |
| Aniseed | ditto | 3 | – | – |
| Assafœtida | ditto | 70 | – | – |
| Bran | ditto | 1 | – | – |
| Biscuits, white cabin | ditto | 9 | – | – |
| Ditto, brown | ditto | 6 | – | – |
| Butter | ditto | 20 | – | – |
| Blankets, Patna | per corge | 16 | – | – |
| Ditto, country | ditto | 12 | – | – |
| Borax | per maund | 15 | – | – |
| Brass and composition brass ware | ditto | 35 | – | – |
| Bahurra, or myrabolans | ditto | 1 | 12 | – |
| Copper ware | ditto | 50 | – | – |
| Caleejeerah, or black cummin seed | ditto | 2 | – | – |
| Canvas, hemp or cotton, and mixed | per bolt | 7 | 8 | – |
| Cardamums, large | per maund | 17 | 8 | – |

| Names of Articles. | —— | Rate of Valuation. | | |
|---|---|---|---|---|
| | | *Rs.* | *a.* | *p.* |
| Cheyratah | per maund | 3 | 8 | – |
| Chillies | ditto | 4 | – | – |
| Cinnabar | per seer | 2 | 6 | – |
| Coriander seed | per maund | 3 | – | – |
| Cotton twist, Gloster | per morah | – | 4 | – |
| Cow tails, white | per maund | 110 | – | – |
| Ditto, black | ditto | 70 | – | – |
| Cummin seed | ditto | 9 | – | – |
| Coals | ditto | – | 5 | – |
| Caoutchouc, or India rubber | ditto | 14 | – | – |
| Cowries | ditto | 10 | – | – |
| Cassia | ditto | 3 | – | – |
| Cutch, or catechu | ditto | 7 | – | – |
| Elephant's teeth or tusk | ditto | 140 | – | – |
| Flour | ditto | 7 | – | – |
| Ditto, soojee | ditto | 8 | – | – |
| Fish maw | ditto | 70 | – | – |
| Ghee | ditto | 20 | – | – |
| Gum tragacanth | ditto | 8 | – | – |
| Ginger, dry | ditto | 4 | – | – |
| Gum, babool | ditto | 7 | – | – |
| Ganjah, crude and cakes | ditto | 12 | – | – |

| Names of Articles. | —— | Rate of Valuation. | | |
|---|---|---|---|---|
| | | *Rs.* | *a.* | *p.* |
| Horns, buffalo | per 100 | 7 | – | – |
| Ditto, deer or stag | per maund | 7 | – | – |
| Horn tips | ditto | 7 | – | – |
| Hurrah | ditto | 1 | 8 | – |
| Honey | ditto | 6 | – | – |
| Jute, rope | ditto | 4 | – | – |
| Kutkey, or hellebore | ditto | 12 | – | – |
| Karree noon | ditto | 1 | 4 | – |
| Lard, hogs' | ditto | 18 | – | – |
| Lines, of sizes and sorts | ditto | 8 | 8 | – |
| Loodh | ditto | 2 | – | – |
| Minium | per seer | 3 | – | – |
| Mathee | per maund | 1 | 12 | – |
| Manjeet, or madder | ditto | 5 | – | – |
| Musk | per tola | 4 | 8 | – |
| Ditto, in pod | ditto | 1 | 12 | – |
| Nux vomica | per maund | 1 | 8 | – |
| Oil, castor | ditto | 10 | 8 | – |
| Ditto, cocoanut | ditto | 12 | – | – |
| Ditto, croton | per pint | 6 | – | – |
| Ditto, grass | per quart | 8 | – | – |
| Ditto, earth | per maund | 8 | – | – |
| Ditto, linseed | ditto | 10 | – | – |
| Ditto, mustard | ditto | 9 | – | – |
| Ditto, poppy | ditto | 9 | – | – |
| Ditto, teel | ditto | 10 | – | – |
| Ditto, vegetable | ditto | 6 | – | – |
| Ditto, seeds | ditto | 3 | – | – |
| Omlah | ditto | 1 | – | – |
| Pepper, long | ditto | 12 | – | – |
| Patchuck, or orris root | ditto | 10 | – | – |
| Peplamool, or long pepper root | ditto | 12 | – | – |
| Peoree | per seer | 3 | – | – |
| Red wood | per maund | 1 | 10 | – |
| Rose water | per seer | – | 8 | – |
| Suet | per maund | 20 | – | – |
| Safflower | ditto | 35 | – | – |
| Salamoniac | ditto | 16 | – | – |
| Sapan wood | ditto | 3 | – | – |
| Soap, in balls | ditto | 8 | – | – |
| Sajee matee, or crude soda | ditto | 2 | – | – |
| Sulphuric acid | per lb. | – | 2 | – |
| Tamarind | per maund | 1 | 4 | – |
| Tapioca | ditto | 40 | – | – |
| Talc | ditto | 10 | – | – |
| Tallow and grease | ditto | 12 | – | – |
| Ditto candles | ditto | 14 | – | – |
| Tincal | ditto | 14 | – | – |
| Tooteah, or blue vitriol | ditto | 20 | – | – |
| Turmeric | ditto | 2 | 8 | – |
| Twine, jute | ditto | 5 | – | – |
| Ditto, hemp | ditto | 13 | – | – |
| Vermillion, or sindoor | ditto | 8 | – | – |
| Wax | ditto | 40 | – | – |
| Ditto, black or inferior | ditto | 30 | – | – |
| Ditto, candles | ditto | 50 | – | – |
| Composition ditto | per lb. | – | 10 | – |

### Gunnies, &c., viz.

| | | | | |
|---|---|---|---|---|
| Cheekun | per 100 | 12 | – | – |
| Dofally | ditto | 16 | – | – |
| Fatia | ditto | 10 | – | – |
| Jail gunny bags | ditto | 27 | – | – |
| Gunny cloth bags | ditto | 20 | – | – |
| Other gunny bags | ditto | 16 | – | – |
| Gunny cloth, of 20 yards and 36 inches wide and under | per piece | 2 | 4 | – |
| Ditto, ditto, of 30 yards above 36 inches wide | ditto | 3 | 4 | – |
| Kanchoony | per 100 | 8 | – | – |
| Motabariah | ditto | 12 | – | – |

### Piece Goods, Silk, viz.

| | | | | |
|---|---|---|---|---|
| Bandanahs, choppahs | per piece of 7 handkerchiefs, per corge | 115 | – | – |
| Moomee choppahs, 14 by 2 | | | | |
| Ditto, ditto, 13 by 1-14 | ditto | 80 | – | – |
| Ditto, ditto, 12 by 1-12 | ditto | 55 | – | – |
| Ditto, ditto, 10 by 1-6 | ditto | 35 | – | – |
| Korahs, 14 by 2 | ditto | 115 | – | – |
| Ditto, 13 by 1-14 | ditto | 80 | – | – |
| Ditto, 12 by 1-12 | ditto | 55 | – | – |
| Ditto, 10 by 1-6 | ditto | 35 | – | – |
| Tussur | per corge | 80 | – | – |

*N. B.*—Silk piece goods exceeding in dimensions those specified, to be assessed proportionately.

### Piece Goods, Cotton, viz.

| | | | | |
|---|---|---|---|---|
| Baftahs | per corge | 26 | – | – |
| Gurrah | ditto | 16 | – | – |
| Kharwah | ditto | 15 | – | – |
| Mamoodie | ditto | 32 | – | – |
| Mirzapoor chintz | ditto | 11 | – | – |
| Patna ditto | ditto | 25 | – | – |
| Shans | ditto | 40 | – | – |
| Tunjebs, Oude | ditto | 26 | – | – |

From *W. Grey*, Esq., Secretary to the Government of India, Home Department, to *Rivers Thompson*, Esq., Junior Secretary to the Government of Bengal, No. 655, dated 3 April 1860.

I AM directed to acknowledge the receipt of your letter, No. 583, and its enclosures, containing revised tariffs or lists of valuations, according to which it is proposed to levy in future the import and export customs duties at the several ports subordinate to the Bengal Presidency.

2. The President in Council requests that the Honourable the Lieutenant Governor will take immediate steps for giving effect to this new tariff of valuations, and he directs me to state that early measures will be taken to bring about a uniformity of valuation in the other ports of India.

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From *W. Grey*, Esq., Secretary to the Government of India, to Madras, No. 735; Bombay, No. 736; Commissioner of Pegu, No. 737; dated Fort William, 7 April 1860.

Sir,

Home Department, Sep. Rev.

* Dated the 10th ultimo.

I AM directed to forward the accompanying copy of a Report * by the Calcutta Board of Revenue, and of the new tariff of valuation therein referred to, according to which, import and export customs duties will immediately be levied at the several ports subordinate to the Bengal Presidency; and I am instructed to state that, pending other contemplated arrangements for consolidating the Customs Departments, the Government of India is extremely desirous that no time should be lost in assimilating the tariff of valuations at all the ports in India.

2. aware that nominally and professedly the duties have hitherto been intended to be the same everywhere, and that the Legislative Council has enacted the same tariff of duties; but inasmuch as they are mostly *ad valorem* duties, it must be plain that in order to secure uniformity, it is essential that the valuations, as well as the rates of duty, shall be the same everywhere.

3. The new tariff of valuations now forwarded having been adopted in Bengal, I am desired to request that will give immediate attention to this subject. The President in Council will be glad to receive and to consider any observations upon the new valuations which they may appear to to call for, but I am to add that it is most necessary that no time should be lost.

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(No. 804.)

From *J. D. Bourdillon*, Esq., Secretary to the Government of Fort Saint George, to *W. Grey*, Esq., Secretary to the Government of India.

Revenue Department, Fort St. George,
18 May 1860.

Sir,

Para. 1. WITH reference to your letter of the 7th April, No. 735, I am directed by the Honourable the Governor in Council to forward copy of one from the Board of Revenue, dated 11th instant, on the subject of the new tariff valuation.

2. The Board agree in the expediency of having a uniform tariff of valuations for all India, and think that with the few alterations suggested by them, the proposed new tariff may be advantageously adopted.

I have, &c.
(signed) *J. D. Bourdillon*,
Secretary to Government.

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(No. 2294.)

Letter from *J. D. Sim*, Esq., Secretary to the Board of Revenue, to *J. D. Bourdillon*, Esq., Secretary to Government, Revenue Department, dated 11 May 1860.

With reference to the Order of Government, dated 14th April 1860, No. 566, I am directed to state that the Board have carefully considered the import and export tariffs therewith received, comparing each item with the price current and books of the collector of sea customs.

2. They have verbally discussed the subject with the collector as well as the deputy collector, Mr. Atkinson, who has for several years held the office of appraiser, and is well acquainted with the market.

3. The Board have noted in the enclosed memorandum the only variations which appear to them worthy of notice between the Madras and Calcutta values of articles in the tariff.

4. The Board quite concur as to the expediency of having an uniform tariff of valuations for all India, and that proposed may, they think, be advantageously adopted, with the few alterations which the enclosed memorandum will suggest.

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## Import Tariff.

*Akurkura or Pellitory.*—The value of this article has ranged from 52 rupees to 85 rupees per Indian maund; but the imports are too trifling to need alteration of value, if 15 rupees suits Calcutta.

*Aloes.*—The market rate here is about 5½ rupees, but the imports are very small.

*Beads.*—The rates here are as follows:—

| | Rs. | a. | p. | |
|---|---|---|---|---|
| Common | – | 6 | – | per lb. |
| Seed | 1 | – | – | „ |
| Red | 1 | – | – | „ |
| China | 50 | – | – | per box. |

*Bottles.*—For wine quarts, British, a tariff valuation of six rupees per 100 would be ample. For similar pints the Board proposes five rupees. The Calcutta rates are 8 and 7½ rupees respectively.

*Cocoanuts.*—The Calcutta valuation of 25 rupees per mille is low, according to Madras prices; 35 rupees would answer here.

*Copperas.*—The market value here is 3½ rupees per Indian maund; so that a tariff of 2½ (instead of 1½) would not be too high.

*Cordage Hemp.*—Twenty rupees per cwt. would not be too high here. The Calcutta valuation is 13 rupees.

*Corks, French.*—The market rates here would admit of a valuation of two rupees here, instead of 1½.

*Flour.*—Thirty rupees per barrel of 200 lbs. for Cape and English, and 20 for American flour, would be more correct here.

*Glass.*—The Calcutta rate of seven rupees per 100 feet for crown glass is too high for Madras. Six rupees would be sufficient.

*Oil Wood.*—Ten rupees per Indian maund would be nearer the Madras value than the rate proposed, viz., six.

*Patent Fuel.*—This article has hitherto been imported at Madras free. From a tariff valuation being now affixed to it, the Board presume it is intended that it should hereafter be subject to duty, notwithstanding that coal and coke are free goods. The rate proposed is low.

*Tea.*—The Board would prefer a valuation of one rupee on black and 1½ on green tea per catty, to the rates proposed.

*Provisions, Beef and Pork.*—The Madras market values would warrant a tariff of 65 rupees per tierce and 40 rupees per barrel.

*Hams in Canister.*—The proposed rate (nine annas per lb.) is low; 12 annas would not be too high.

*Metals, Copper, &c.*—It would be more convenient if "Indian" were substituted for "factory" maunds.

*Iron, Swedish.*—Seven rupees per maund would be a more correct valuation at Madras.

*Anchors, Cables.*—For anchors, nine rupees, and for cables, seven rupees would be the proper rates.

*Steel.*—The valuations proposed for steel are low; the following would be better here, viz.:—

| | | Rs. | a. | p. |
|---|---|---|---|---|
| British, per maund | | 10 | – | – |
| Blistered | „ | 12 | – | – |
| Spring | „ | 12 | – | – |
| Swedish | „ | 10 | – | – |

*Piece Goods, Mulls and Mediums.*—Rupees 2½ per piece of 45 yards would be a more correct valuation at Madras.

*Printed Muslins.*—Eight annas per yard would be a fair valuation for French muslins.

*Flannel.*—The same rate would answer for plain flannel.

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EXPORT TARIFF.

*Red Wood.*—The valuation is too high for Madras; 14 annas per Indian maund would be sufficient.

*Tamarind.*—Two rupees and a half would be a fair valuation here.

(signed) *J. D. Sim,*
Secretary.

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From *B. H. Ellis*, Esq., Secretary to the Government of Bombay, to *W. Grey*, Esq., Secretary to the Government of India, No. 1774, dated 14 May 1860.

* No. 736, dated the 7th April 1860, with accompaniments.

I AM directed to acknowledge the receipt of your letter marginally quoted* relative to the proposed assimilation of the tariff of valuations at all the ports of India:

2. In reply, I am desired by his Excellency in Council to refer you to my letter of the 6th January last, No. 74, in which the mode adopted here for framing a correct tariff was fully explained.

3. The Bombay tariff has been carefully prepared with the advice and aid of the mercantile community, but not at their dictation. His Excellency in Council would submit that the past practice ought to be conformed to in framing and modifying the tariff of this Presidency, and that as the Custom House system at Bombay is working well, all needless interference with it is strongly to be deprecated.

† No. 678, dated the 4th May 1860.

4. I am further directed to submit copy of a letter † from the Commissioner of Customs at this Presidency, and to request the attention of the Government of India to the practical remarks of Mr. Spooner, whose long experience and success in the management of the customs under his charge entitle his opinion to the greatest consideration.

5. It will be seen that the adoption of the Calcutta tariff as it stands would be really a retrograde step, and that it requires emendation, but as the Calcutta rates are on the whole not higher than those existing at Bombay, there will be no difficulty in taking the Calcutta tariff as a basis here.

6. As the Government of India desire an immediate revision, his Excellency in Council has directed that this correspondence, together with the new Calcutta tariff, be published and circulated among the mercantile class, and that a committee as usual be appointed to prepare a revised tariff for Bombay in assimilation, as far as practicable, with the Calcutta model.

7. The result, I am directed to state, will be reported.

From *Richard Spooner*, Esq., Commissioner of Customs, Salt and Opium, to the Secretary to the Government of Bombay, No. 678, dated Camp Mahim, 4th May 1860.

I HAVE the honour to acknowledge the receipt of copy of letter from Government of India, No. 736, dated the 7th ultimo, forwarding the document noted in the margin, and stating that it is extremely desirable that no time should be lost in assimilating the tariff of valuations at all of the Ports of India. Calcutta tariff of 1860.

2. In reply I beg to state that hitherto it has invariably been the practice before sanctioning any new tariff, to appoint a committee consisting of influential merchants (both European and Native), with the Commissioner of Customs as their chairman, to frame a new tariff, making such alterations in the values of the various articles as they may consider expedient.

3. The tariff so framed is then submitted to Government by the Commissioner of Customs, with any remarks he may have to offer thereon, and eventually receives the formal sanction of Government, and is published as a supplement to the Government Gazette.

4. The merchants have always willingly responded to the call made upon them, and have always given valuable and trustworthy information on all points connected with the value of goods.

5. I would, therefore, humbly submit for consideration whether it would be fair now entirely to set aside the merchants, and publish a new tariff without consulting them on the subject.

6. Should Government concur in opinion with me in this point, I would suggest that the correspondence under reference, together with the new Calcutta tariff, be published and circulated among the merchants, and that after they have had time to take the matter into consideration, a tariff committee be appointed, and a revised tariff be prepared in conformity with the existing practice in such cases.

7. In framing the new tariff, the committee might be instructed to adopt the values given in the new Calcutta tariff, so far as may be practicable; and in respect to any items in which the Bombay committee may propose a valuation different from the valuation adopted at Calcutta a report in detail should be made, explaining the reasons which have induced them not to adopt the Calcutta valuation.

8. In respect to the Calcutta tariff, viewing it merely as an official document intended for the use of the public, I would beg to submit that our tariff is vastly superior.*

9. In the Bombay tariff, all the articles bear a consecutive number, viz., from No. 1 to 637, and hence are easy of reference. Again, as a general rule, the quantities are expressed by the terms "cwt," "lb.," "thousand," "hogshead," "pairs," "each," "gross," "cubic foot," and such like terms which are generally understood by the mercantile community in Europe, as well as in India, and generally throughout the world.

10. Again, in making use of the term "bolt" as applied to canvas, the words "not exceeding 40 yards per piece," are added. To the term "tierce" is added "not exceeding 336 lbs." To the term "barrel," as applied to the provisions, is added "not exceeding 224 lbs," and so on. This I might add was done in order to protect the interests of government, and prevent parties from importing their goods in much larger "bolts," "tierces," &c., as the case may be, than was contemplated by the framers of the tariff.

11. The Bombay tariff committee purposely avoided (except in articles purely Indian, and rarely exported to foreign countries), making use of Indian terms, which, although they may be well understood at one Indian Presidency, are unknown at other Presidencies, and in England, &c.

12. In the Calcutta tariff, on the other hand, the points adverted to in paragraphs 9 to 11, have not been attended to. For instance, the value of steel Swedish is entered in the Bombay tariff, No. 568, at 12 rupees per cwt., while in the Calcutta tariff, the same article is entered at *Rs.* 8. 8. per factory maund. Now, I would submit that generally, the whole mercantile world understand what is meant by the term "cwt.," but that few, very few know the meaning of the term "factory maund," or in other words, if a person was asked whether it would be more advantageous for him to purchase steel at *Rs.* 8. 8. per factory maund, than at 12 rupees per cwt., he would not be able to solve the question.

13. Again, in the Calcutta tariff, the term "morah" is made use of; now I would submit that the term "morah" is not generally understood by the community of Bombay.

14. In making therefore a new tariff for Bombay, I would submit that it would be a retrograde movement, if we imitated the Calcutta tariff by making use of the terms factory maunds, morahs, and such like barbarous and unknown terms.

15. The

* *Vide* Bombay tariff, published as a second supplement of the Bombay Government Gazette, dated 1st August 1857.

15. The Calcutta tariff is divided into separate heads, such as "provisions," "metals," "piece goods," "woollens," and such like. This appears to be a good arrangement, and a similar course can be adopted in framing the Bombay tariff.

16. In respect to the values given in the Calcutta tariff as compared with the values given in the Bombay tariff, the value in the latter is in respect to many items much higher than in the former; and *vice versâ*, the value of many items in the Calcutta tariff is higher than is entered in the Bombay tariff.

17. There is one description of goods which requires to be more particularly noticed, I allude to grey goods as per margin,* the value of which in the Bombay tariff has been fixed on the weight. For instance, take a bale of grey shirtings, which, on being weighed, is found to weigh 400lbs.; then on referring to our tariff we find it there mentioned that the value of grey shirtings is eight annas per lb. We thus know that the value of the bale is 200 rupees.

18. In the Calcutta tariff, the value is entered at a certain rate per piece, of a certain number of yards, and I see no objection to our adopting in our next tariff the Calcutta system in respect to such items, but before doing so, I must again repeat that I think that the merchants ought to be consulted.

19. The values given in the Calcutta new tariff are in many cases much higher than they were in the former Calcutta tariff of 1855.

20. The rates, however, as per new Calcutta tariff, will as a whole, I think, be found to be not higher than the existing tariff rates at Bombay, and hence therefore I do not anticipate that there will be any difficulty as a general measure in introducing the Calcutta tariff, because, in respect to many of the items, the merchants will be gainers.

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From *W. Grey*, Esq., Secretary to the Government of India, to *A. R. Young*, Esq., Secretary to the Government of Bengal, No. 1167, dated 23 June 1860.

THE Governor General in Council attaching much importance to having a uniform tariff of valuations for all India, directed that the new tariff recently adopted in Calcutta should be forwarded to Madras and Bombay, with a request that it might be adopted at those places, unless, on examination, any clear objections to it should be found.

2. The reply received from the Government of Bombay, while making little difficulty in regard to most of the valuations, adverts to some points in which it is considered that the Bombay tariff is very superior to the Calcutta one. In particular it is stated that all the articles in the Bombay tariff bear consecutive numbers, and are consequently very easily referred to; and again that quantities are, as a rule, expressed by English denominations of number, weight, or measure; whereas the Calcutta tariff, in many instances, gives Indian denominations, such as per maund, per seer, per sicca weight, per morah. In some points again the Bombay report gives a preference to the plan of the Calcutta tariff, as, for example, with regard to the division of imports into separate heads, such as provisions, metals, piece goods, and the like. There is, however, independent of these distinctions, so great a difference in the classification of goods, as well as in their denominations, in the two tariffs, that comparison in several cases is difficult, and in some impossible. Again, the duties in Bombay are frequently charged upon piece goods by weight, while here they are charged by the yard or piece, which is another difficulty in comparing them.

3. As respects the valuations, the Bombay report, without specifying items, states that, in many instances, the values are higher in the old Bombay tariff than in the new Calcutta tariff, and in many instances that the reverse is the case; but that, on the whole, little difficulty is anticipated, as a general measure, in introducing the Calcutta tariff. It is not, perhaps, quite clear what the exact meaning of this last statement may be; and looking to the general tenor of the Bombay

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* *Bombay Tariff.*

| | *Rs.* | *a.* | *p.* |
|---|---|---|---|
| No. 493, piece goods, shirtings, madapollams, and printed, per lb. - - - | – | 8 | – |
| No. 494, ditto, ditto, longcloths and twist cloths - - - - - - | – | 7 | – |
| No. 495, domestic shirtings and drills - - - - - - - - - | – | 7 | – |

Bombay letter, and having regard also to the objections which have been so strongly urged by the Calcutta commercial community against many of the items of valuation in the new Calcutta tariff, and also the great complaints made by the Manchester Chamber of Commerce, by memorial to the Secretary of State, and by petition to Parliament, the Governor General in Council is of opinion that the object of a uniform tariff will be most likely to be satisfactorily attained by the appointment of a committee in Calcutta, in which Bombay (and possibly Madras also) shall be represented.

4. Unless any merchant of Bombay should happen to be on a visit to Calcutta, it may not indeed be practicable to obtain a direct representation in such a committee of the Bombay commercial interests, but a committee to consider the Calcutta tariff has already been appointed at Bombay, consisting of influential merchants (both European and Native) with the Commissioner of Customs as chairman, and the latter officer, whom it is contemplated to summon to Calcutta, will therefore be fully acquainted with the opinions and views of the mercantile community of Bombay, and will, in the absence of any of their number, represent the interests of that body as well as the interests of the Government. If, however, it shall be the wish of the Bombay Chamber of Commerce to send specially, on their own account, one of their number, he will of course be placed on the committee.

5. There are other considerations besides the settlement of a uniform tariff of values, which lead the Governor General in Council to think the appointment of a committee in Calcutta desirable. He would wish to take advantage of the occasion, in order to settle new and uniform forms of trade and navigation returns, which being transmitted weekly to Calcutta from every important port, will enable a return for all India to be published here each month, immediately that the last weekly returns for the preceding month are received.

6. It is known to the Honourable the Lieutenant Governor that great dissatisfaction has been given to the merchants in Calcutta by the tariff which was lately published with the approval of this Government; and his Honor is perhaps aware that a deputation of merchants has had an interview with the Financial Member of the Council, for the purpose of representing the objections to which they contend that the tariff is open.

7. Without expressing any opinion at present on the soundness of those objections, and without entering into a consideration of some communications which the Governor General in Council has received from the Secretary of State on this subject, he thinks it will be right, having regard to the probability that at all events some alterations may result from the joint deliberations of the Bombay and Calcutta customs authorities, to permit the merchants here to pay duty on the articles to the values of which they most strongly object, subject to re-adjustment hereafter, should any different rate be ultimately agreed upon. The articles in respect of which I am desired to suggest that this permission should be given, are those enumerated in the margin.*

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From *W. Grey*, Esq., Secretary to the Government of India, to the Secretary to the Government of Fort St. George, No. 1316, dated 23 June 1860.

REFERRING to your letter No. 804, dated the 18th ultimo, I am directed to forward for the information of his Excellency the Governor in Council, the accompanying copy of a communication to the Government of Bengal, and I am instructed to inquire whether the Government of Madras would think it necessary that any officer should proceed from Madras to join the committee which it is proposed to appoint in Calcutta for the settlement of a general tariff of valuations. As the Madras Government has usually heretofore as a rule adopted

* Cotton Piece Goods—Grey, bleached, dyed, and printed. Cotton Yarn—Grey and coloured.
Metals—Of all kinds.
Woollen Manufactures—Of all kinds.

adopted the tariff published in Calcutta, and as therefore no discrepancy exists between the two ports, it occurs to the Governor General in Council that it may not perhaps be thought necessary on the present occasion that Madras should be represented by the special deputation of an officer from that Presidency.

2. If there should be any gentleman in Calcutta, either as a resident or a visitor, whom either the Government of Madras or the Chamber of Commerce at Madras should desire to see appointed on the committee, it will of course be satisfactory to the Government here to appoint him. The Governor General in Council is, however, desirous that it shall not be understood that he has any wish to exclude a full representation of Madras on this committee, although it has been thought that any arrangements accepted by the Government on the part of Calcutta will be satisfactory to Madras.

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From *W. Grey*, Esq., Secretary to the Government of India, to *B. H. Ellis*, Esq., Secretary to the Government of Bombay, No. 1317, dated 23 June 1860.

REFERRING to your letter, No. 1794, enclosing a report by Mr. Spooner, the Commissioner of Customs, on the new tariff of valuations recently adopted in Calcutta, I am directed to inform you that the Governor General in Council is disposed to agree with his Excellency the Governor in Council, that the system and principles of valuations and of levying duties as described in Mr. Spooner's report are in some respects an improvement upon the practice here. In other respects the Governor General in Council thinks the practice here is preferable; but at all events he is clearly of opinion that whatever system is adopted, it ought to be uniform at all the ports of India. In that his Excellency in Council has no doubt the Government of Bombay will concur.

2. I am, therefore, directed to forward for the information of his Excellency the Governor in Council, copy of a communication addressed to the Bengal Government, and to inquire whether Mr. Spooner can be permitted to come round to Calcutta for the purpose of joining the committee therein referred to. If Mr. Spooner's services can be spared without serious inconvenience, I am to request that he may be instructed to come to Calcutta, as soon as the committee whose appointment was referred to in the 6th paragraph of your letter, and of which it is understood he would be chairman, shall have completed their consideration of the Calcutta tariff.

3. Adverting to the 4th paragraph of my letter to the Bengal Government, I am directed to request that the proposed appointment of a committee in Calcutta may be made known to the Bombay Chamber of Commerce, and that they may be informed that if there should be any gentleman in Calcutta, either as a resident or a visitor whom they would desire to be placed on the committee, or if they shall think it necessary on their own account to depute one of their number expressly for the purpose, it will be very satisfactory to the Government here to be able to meet their wishes.

# EAST INDIA (IMPORTS).

COPY of a DESPATCH, with Enclosures, from the Governor General of India in Council, dated 29 June 1860, on the subject of the VALUATION, &c. of IMPORTS for CUSTOMS DUTIES in *India*.

(*Mr. Bazley.*)

*Ordered, by* The House of Commons, *to be Printed,*
22 *August* 1860.



*Under* 8 *oz.*

# TARIFFS, &c. (BRITISH INDIA.)

RETURN to an Order of the Honourable The House of Commons, dated 29 May 1851;—*for*,

PAPERS "relative to TARIFFS, &c. (BRITISH INDIA), in continuation of Parliamentary Paper, No. 116, of Session 1846, to the present time:"

"And, COPIES of REPORTS numbered respectively 5, 6, and 11, of the Commissioners appointed by Lord *William Bentinck* to inquire into the System of INDIAN CUSTOMS and POST OFFICE DUTIES; together with a Selection of Documents from the respective Appendices to the same, in Cases where the material Points thereof do not appear in the said Reports."

East India House,
5 August 1851.

J. D. DICKINSON,
Deputy Secretary.

(*Mr. Anstey.*)

*Ordered, by* The House of Commons, *to be Printed*,
7 *August* 1851.

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East India House,
5 August 1851.

*T. L. Peacock.*

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## ACT No. II. of 1846.

Passed by the Honourable the President of the Council of India in Council, on the 7th January 1846, with the Assent of the Right honourable the Governor-General of India.

AN ACT relating to unscrewed Cotton Exported from the Continent of *India*, and Imported at the *Bombay* Presidency.

I. IT is hereby enacted, that unscrewed cotton wool shall be allowed to be exported from any subordinate port of the Bombay Presidency to the port of Bombay, free of the duty specified in Schedule (B.) of Act No. I. of 1838, and to the port of Bombay from any port of the Madras Presidency, free of the duty specified in Schedule (B.) of Act No. VI. of 1844, to which port of the Madras Presidency the Governor in Council thereof may from time to time be pleased, by a notification in the Official Gazette, to grant such exemption of that duty: provided that the cotton wool so exported shall not be shipped on a square-rigged vessel.

II. And it is hereby enacted, that cotton wool shall be allowed to be imported into the port of Bombay from any part of the continent of India, free of the duty specified in Schedule (A.) of the said Act No. I. of 1838.

## ACT No. IX. of 1846.

Passed by the Honourable the President of the Council of India in Council, on the 5th December 1846, with the Assent of the Right honourable the Governor-General of India.

AN ACT for authorizing the Government of *Fort St. George* to provide Regulations for the several Ports and Places of Anchorage within the Territories subject thereto.

WHEREAS Act IV. of 1842, intituled, "An Act for the better Management of Boats and Catamarans in the Madras Roads, and for the Amendment of certain Harbour Regulations," has been found by experience to operate beneficially; and whereas it is expedient that Regulations similar in principle to the provisions contained in the said Act, but varying in detail if local circumstances require such variation, should be provided for all ports and other places of anchorage within the territories subject to the government of the Presidency of Fort St. George:

I. It is therefore hereby enacted, that the Governor in Council of Fort St. George may from time to time make, in respect of each port or other place of anchorage within the territories subject to the government of the said Presidency, such regulations for the management of boats and catamarans and such other matters as are provided for by the said Act IV. of 1842, in respect of the Madras Roads, as to them shall seem expedient, being similar in principle to the provisions contained in the said Act, but varying in detail, if local circumstances require such variation; and all such regulations shall be submitted for confirmation or disallowance to the Governor-general of India in Council, and every such regulation shall have the force of law after it shall have been confirmed by the Governor-general of India in Council.

## ACT No. VI. of 1848.

Passed by the Right honourable the Governor-General of India in Council, on the 4th March 1848.

AN ACT for equalizing the Duties on Goods imported and exported on Foreign and British Bottoms, and for abolishing Duties on Goods carried from Port to Port in the Territories subject to the Government of the East India Company.

I. IT is hereby enacted, that from and after the 25th day of March 1848, all goods imported on foreign bottoms by sea into any port of the Presidencies of Fort William in Bengal, Fort St. George, or Bombay, shall be charged only with the same rates of duty as such goods would now by law be charged with if such goods were imported into any of the said ports on British bottoms, anything in any Act of the Council of India contained to the contrary notwithstanding.

II. And it is hereby enacted, that from and after the said day all goods exported on foreign bottoms by sea, from any port of the said Presidencies, shall be charged only with the same rates of duty as such goods would now by law be charged with if such goods were exported from any of the said ports on British bottoms, anything in any Act of the Council of India contained to the contrary notwithstanding.

III. And it is hereby enacted, that from and after the said day, no duty shall be charged on any goods lawfully carried from any port in the territories subject to the government of the East India Company, to any other port in the said territories, any thing in any Act of the Council of India contained to the contrary notwithstanding.

IV. Provided always, that nothing in this Act contained shall apply to the articles of salt or opium.

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## ACT No. VII. of 1848.

Passed by the Right honourable the Governor-General of India in Council on the 25th of March 1848.

AN ACT to except certain free Ports from the Operation of Section III. Act No. VI. of 1848, and otherwise to amend that Act.

I. IN modification of Section III., Act No. VI. of 1848, it is hereby enacted, that the provisions of the said section shall not apply to goods exported from any part of the territories subject to the government of the East India Company, to any of the ports in the Straits of Malacca, or to any of the ports in the Tenasserim provinces, or to any of the ports in the province of Arracan, nor to goods imported from any of those ports into any port of the said territories.

II. And it is hereby enacted, that no drawback shall be allowed on the re-export of goods from any port in the territories subject to the government of the East India Company, to any other port in the said territories, to which the operation of Section III., Act No. VI. of 1848, may extend.

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## ACT No. XVI. of 1848.

Passed by the Governor-General of India in Council on the 1st of July 1848.

AN ACT to remove certain Restrictions on the Salt Trade.

WHEREAS the Salt Trade in the North Western Provinces is burdened with unnecessary restrictions; it is enacted as follows:

I. Sections 49, 50, 85 and 93, of Regulation X. of 1819, of the Bengal Code, and so much of Section 48, of the same Regulation, as affects the importation of salt from the North Western Provinces into the other provinces of the Presidency of Bengal, also Section 2 of Regulation X. of 1826, of the same Code, shall be repealed from the 1st day of August in this year.

II. After

II. After the said 1st day of August, no customs duty shall be leviable upon salt imported into the said North Western Provinces from the other provinces of the said Presidency.

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## ACT No. V. of 1849.

Passed by the Honourable the President of the Council of India in Council, on the 3d March 1849.

AN ACT for better defining the Duties of Customs and Excise.

WHEREAS under the Regulations in force for taking a duty of 20 Spanish dollars for each and every leaguer of arrack or Asiatic rum imported into and intended for consumption within Prince of Wales' Island, Singapore and Malacca, doubts have arisen whether any duty may be taken on importation of a quantity less than a leaguer, and it is expedient that such doubts be removed, and that the meaning of all such or the like expressions in any Regulation or Act for the levy of Customs or Excise duties within the territories under the government of the East India Company be plainly declared; it is declared and enacted as follows:

I. Whenever by any Regulation or Act now or hereafter to be in force, not containing any direction to the contrary, a certain duty of Customs or Excise, or in the nature thereof, is leviable on any given quantity, by weight, measure or value, of any goods or merchandise, a like duty is leviable according to the same rate on any greater or less quantity.

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## ACT No. V. of 1850.

Passed by the Governor-General of India in Council, on the 8th of March 1850.

AN ACT for freedom of the Coasting Trade of *India*.

WHEREAS by an Act of Parliament passed in the 13th year of the reign of Her Majesty, intituled, "An Act to amend the Laws in Force for the Encouragement of British Shipping and Navigation," it is enacted with regard to the Coasting Trade of India, that it shall be lawful for the Governor-general of India in Council to make any regulations authorizing or permitting the conveyance of goods or passengers from one part of the possessions of the East India Company to another part thereof, in other than British ships, subject to such restrictions or regulations as he may think necessary; it is enacted as follows:

I. Goods and passengers may be conveyed from one part of the territories under the government of the East India Company to another part thereof, in other than British ships, without any restriction other than is or shall be equally imposed on British ships, for securing payment of duties of Customs or otherwise.

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## ACT No. X. of 1850.

Passed by the Governor-General of India in Council, on the 15th of March 1850.

AN ACT to declare *Aden* a free Port.

WHEREAS the trade between the Western Coast of India and the Red Sea, and places thereunto adjacent, will be improved by encouraging the resort of vessels of all nations to the port of Aden in Arabia; it is declared and enacted as follows:

I. The port and settlement of Aden in Arabia is a free port and settlement; and no duty of Customs is payable there on any ship or other vessel, or

on any goods lawfully carried by sea or land to or from the said port and settlement.

II. The said port of Aden shall not be taken to be within the provisions of Act VI. 1848.

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## ACT No. XI. of 1850.

Passed by the Governor-General of India in Council, on the 15th of March 1850.

AN ACT to amend Act X. 1841.

FOR amendment of Act X. 1841, it is enacted as follows:

I. Section XIII. of Act X. 1841, is repealed.

II. The passes which, under Section XXIV. of the said Act, may be issued for conferring the privileges and advantages of a British ship, in certain cases, to any ship or vessel built within the dominions of a native Prince or State in subordinate alliance with, or having subsidiary treaties with the East India Company, may, after the passing of this Act, be issued in the like cases, and under the same restrictions, to any ship or vessel belonging to any such native Prince or State, or their subjects, wherever the same may have been built.

III. All ships or vessels, of whatever rig and of whatever tonnage, owned by British subjects, entitled to registry under Act X. 1841, or owned by such native Princes or States, or by their subjects entitled to passes under Act X. 1841, as amended by this Act, employed only in coasting voyages, or between any port of the Continent of India and the Island of Ceylon, may be registered and obtain passes, and the tonnage may be marked, according to such rules as shall be made from time to time by the Governor or Governor in Council of each Presidency.

IV. The owners of coasting vessels, registered under Section III. of this Act, shall pay for each certificate of registry:

For a vessel not exceeding the burthen of four tons, one rupee;

Exceeding four tons and not exceeding twenty tons, five rupees;

Exceeding twenty tons and not exceeding eighty tons, seven rupees;

Exceeding eighty tons, for each ton two annas;

Which fees shall be carried to the credit of the Government of the Presidency in which they are levied.

V. This Act shall be construed with and as part of Act X. 1841.

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## ACT No. XXIV. of 1850.

Passed by the Honourable the President of the Council of India in Council, on the 8th June 1850, with the assent of the Most noble the Governor-General of India.

AN ACT for better defining the Special Duty levied on Tobacco in *Bombay*.

WHEREAS the laws in force respecting the special duty payable on tobacco imported into Bombay are obscure, and require to be explained and amended; it is declared and enacted as follows:

I. Regulations XXXIII. 1827, and XV. 1828, of the Bombay Code, and so much of Act I. 1838, as relates to the customary or special duty levied on the import of tobacco into the Island of Bombay, are rescinded and repealed.

II. All tobacco imported into the Island of Bombay, either by sea or across any of the causeways, from whatever port or place it is brought, is and shall continue to be liable to the payment of a special duty levied at the rate of seven rupees and eight annas for the Indian maund, which duty shall be paid, over and above

above the customary duty of one rupee and eight annas, at the option of the importer, either on importation or after being warehoused in the Custom-house warehouse, on being delivered out for internal consumption.

III. No drawback of the said duty shall be allowed on exportation, unless the tobacco has been warehoused in and is exported direct from the Custom-house warehouse; in which case a drawback of the whole of the special duty shall be allowed, if claimed at the time of re-exportation.

IV. This Act shall not be taken to affect the provisions and penalties of any Act or Regulation for enforcing payment of the special duty, which shall continue in force for compelling payment of the duty as declared payable by this Act, and for punishing any evasion of such payment.

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## ACT No. XXVII. of 1850.

Passed by the Honourable the President of the Council of India in Council, on the 21st June 1850, with the assent of the Most noble the Governor-General of India.

### An ACT for the Registry of Merchant Seamen.

Whereas it is expedient to form a register of merchant seamen; it is enacted as follows:

I. A general register office for merchant seamen shall be established, at each of the ports of Calcutta, Madras and Bombay, and at such other ports as the Governor-general of India in Council shall hereafter deem necessary.

II. For every such office there shall be a Registrar, with such assistants, clerks and servants, at such salaries and allowances, and subject to such regulations, as shall be from time to time directed, with the approval of the Governor-general of India in Council, by the Governor or Governor in Council of the Presidency or place where the office is established.

III. Each Registrar, before entering on the duties of his office, shall, with two sureties, execute a joint and several bond to the East India Company, according to such form as shall be from time to time approved by the Governor-general of India in Council, conditional for the faithful performance of his duty, and for the due application and account of all monies that shall come to him as such Registrar, under such amount of penalty as shall be from time to time fixed by the Governor or Governor in Council of the Presidency or place.

IV. Every person not having a register ticket from any port in the United Kingdom of Great Britain and Ireland, who intends to serve (otherwise than as master or surgeon) on board of any vessel navigated from a port within the territories under the government of the East India Company, and registered as a British vessel under the Statutes of Parliament and Acts of the Governor-general of India in Council in force for the time being, for the registry of British vessels, shall be bound to appear at one of the said register-offices, for the purpose of procuring himself to be registered, and shall be bound to answer truly, to the best of his ability and knowledge, the several questions set forth in the Schedule (A.) annexed to this Act, and such other questions as shall be from time to time directed by the Governor-general of India in Council, and until so registered, shall not be allowed, after the 1st day of August 1850, to serve in any capacity (other than master or surgeon) on board of any such registered vessel.

V. The Registrar shall be bound to register every seaman who shall appear at his office for that purpose, and truly answer the said questions to the best of his ability and knowledge.

VI. The Registrar shall give to every seaman whom he shall register a register ticket, containing as accurate a description as may be, of such seaman, in such form as shall be from time to time approved by the Governor-general of India in Council, for which he shall be entitled to take such fee, not exceeding one rupee, as shall be from time to time allowed by the Governor or Governor in Council; and shall keep recorded in his office a duplicate of every such register ticket:

ticket: the Registrar shall ascertain to the best of his ability, and specify on the register ticket, the class or rating of seafaring persons to which each registered seaman appears to him to belong; and from time to time shall note on any ticket produced to him for that purpose, any superior rating to which the holder of the ticket appears at that time to be entitled.

VII. Whenever any seaman shall lose his register ticket, he shall apply personally to one of the said Registrars, and shall be bound to answer truly, to the best of his ability and knowledge, all questions which the Registrar, or one of his assistants shall put to him, touching the time and manner of the loss; and if it shall appear that no fraud has been committed or intended, the Registrar shall furnish another ticket to him, upon payment of such fee, not exceeding five rupees, beside the common fee for the issue of a register ticket, as the Registrar shall think fit, under the instructions to be issued to him by the Governor or Governor in Council, having regard to the time and manner of the loss of the former ticket.

VIII. Whenever any registered seaman shall be committed to prison, or to any house of correction, the court or justice of the peace shall cause his register ticket to be delivered to the keeper of such prison or house of correction, who shall keep it during the term of the seaman's imprisonment, and at the end of the imprisonment give it to him again; and, whenever any registered seaman shall be sentenced to death or transportation, the person having him in custody shall send his register ticket to the office of the Registrar by whom it was issued.

IX. The Registrar shall cancel every register ticket which shall come again into his possession, and from time to time shall make out lists, showing the number and name upon every ticket cancelled during the twelve months then last past, and of every ticket which shall have been represented to him to have been lost, and in respect of which he shall have issued another ticket during the same twelve months; and shall cause such lists to be published in the Gazette, in the English and vernacular language of the port, and shall also send them to the Collector of Customs and principal officer of police at such towns or ports as shall be directed by the Governor or Governor in Council, to be by them respectively exhibited in some conspicuous part of the Custom-house and police office; and copies of such lists shall be sent to the Master Attendant at every such port, and shall be delivered to any master or owner of a registered vessel on application, and on payment of a fee of one rupee.

X. The master of any such vessel shall not at any port in the said territories, after the said 1ts day of August, engage or employ, for the purpose of going to sea in his vessel, any unregistered seaman, or any seaman having a cancelled register ticket; and shall cause to be delivered to him the register ticket of every seaman, whom he shall so engage at any such port, after the said 1st day of August, before putting to sea, which ticket the master shall keep safely (unless in the cases herein mentioned) until the end of the service of such seaman with him, and shall then give it back to the seaman to whom it belongs; and every master of a vessel, who shall wilfully offend against this enactment, shall be liable to a penalty not exceeding 100 rupees, for each seaman so unlawfully engaged or employed.

XI. Every person applying for a register ticket, who shall wilfully give a false answer to any question which the Registrar or his assistant is entitled to ask of him, or wilfully make any false statement before the Registrar or his assistant as to the loss of any register ticket, shall be liable to a penalty not exceeding 50 rupees.

XII. Every person who shall wilfully alter, deface or destroy any register ticket, or counterfeit any such register ticket, or transfer or traffic in any such ticket, issued or purporting to be issued under this Act, shall be liable to a penalty not exceeding 100 rupees.

XIII. Every person who shall become possessed of any register ticket other than that lawfully issued to him (except masters of vessels and others directed to keep any such tickets by this Act), either by the death of the seaman to whom it belonged or otherwise, shall forthwith send it to the Registrar of the port whence it was issued, and in default of so doing, shall be liable to a penalty not exceeding 100 rupees.

XIV. Every

XIV. Every seaman tendering to the master or owner of any vessel a cancelled register ticket, or any ticket not lawfully issued to him, shall forfeit to the owner all wages accruing to him during the service for which he shall have agreed.

XV. All penalties directed by this Act may be imposed on summary conviction before a magistrate or justice of the peace, and may be recovered with costs, as if they were imposed by a magistrate under Act II. 1839.

XVI. The fees received by the Registrar shall be applied toward defraying the expenses of this Act; besides which, a yearly duty of one anna per ton shall be levied for the same purpose on all vessels of the burden of 150 tons and upwards, navigated to or from the ports within the territories under the government of the East India Company; and the production of a certificate of payment at one port of registry shall free the same vessel at all others during the current year, to be reckoned from the 1st day of January to the last day of December.

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SCHEDULE (A.)

1. WHAT is your name and surname?
2. What is your father's name, and usual dwelling-place
3. Have you been registered before?
4. Where were you born?
5. When were you born?
6. When did you first go to sea?
7. In what capacity did you first go?
8. In what capacity have you since served?
9. Have you served in the Royal or Indian Navy? or in the marine of the East India Company?
10. If you have, how long? and in what ships? and in what capacity?
11. Have you been in foreign service?
12. If you have, how long? and in what capacity? and under what flag?
13. How have you been generally employed at sea?
14. Where do you usually live when unemployed?

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SCHEDULE (B.)

NAMES and Numbers of the Register Tickets of the Crew (including Apprentices) now serving on board the of the port of of the burden of tons, on taking departure from the port of in the East Indies, bound on a voyage to

| Number and Date of Ship's Register. | Name. | Capacity. | Number of Register Ticket. |
|---|---|---|---|
| | | | |

Dated this day of 18 .

Master.

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## ACT No. XXVIII. of 1850.

Passed by the Honourable the President of the Council of India in Council, on the 21st June 1850, with the assent of the Most noble the Governor-General of India.

AN ACT for the Encouragement of Merchant Seamen.

FOR the encouragement and protection of merchant seamen, it is enacted as follows:

I. The master of any vessel navigated from any port within the territories under the government of the East India Company, where a Register of Seamen

is or shall be appointed under Act XXVII. 1850, registered as a British vessel under any Statute of Parliament, or Act of the Governor-general of India in Council, in force for the time being for the registry of British vessels, except country craft not exceeding the burden of 300 tons employed only in coasting voyages, shall not put to sea on any day after the 1st day of August 1850, until an agreement, executed as hereinafter provided, shall have been made by him with such of his crew as are shipped at any port within the said territories, specifying what wages each seaman is to receive, and the quantity and quality of provisions he is to receive, the capacity in which each is to act or serve, and the voyage in which the vessel is to be employed, or the length of time that each is to serve.

II. Every such agreement shall be in the form set forth in Schedule (A.) annexed to this Act, or such other form as shall be from time to time approved by the Governor-general of India in Council, and shall be properly dated, and shall be signed by the master and the greater number of seamen shipped at any port in the said territories, of each kind of rating belonging to the vessel, on behalf of the crew respectively, in the presence of the Registrar of Seamen, or by some one appointed by him for that purpose, who, after hearing the agreement read over and explained to each seaman by whom it is to be signed, in a language understood by him, shall, if the seaman assent, cause him to put his signature or mark thereunto, and shall attest the same by his own signature, and shall keep recorded in his office a duplicate of such agreement executed and attested as aforesaid; every seaman shipped on board such vessel, and not being an apprentice, shall be entitled to have the benefit of such agreement, according to his rating, as if it were executed by him.

III. Every copy of such an agreement, certified by the Registrar to be a true copy, shall, in all cases, be taken as evidence of the contents thereof on behalf of the seamen; and no seaman shall in any case be required to produce such agreement, or such copy as aforesaid, or to give notice for the production thereof; but if the agreement shall not be produced and proved, he shall be at liberty to prove the contents or purport thereof, or to establish his claim by other evidence, according to the nature of the case.

IV. No seaman shipped under this Act, shall, by reason of any agreement, forfeit his lien upon the ship, or be deprived of any remedy for the recovery of his wages to which he would otherwise be entitled against any person or persons whatever; and no agreement, contrary to or inconsistent with this Act, nor any clause, contract or engagement whereby any seaman shall consent or promise to forego, or give up any right or claim to wages in the case of freight earned by a ship afterwards lost, or any right or claim to salvage or reward for salvage services, or such share of salvage or reward for salvage services as may be due to him by decree or award, or otherwise, shall be binding on such seaman.

V. The wages of any seaman engaged to serve on any vessel under this Act, shall be calculated by the calendar month.

VI. If any seaman serving under the provisions of this Act shall, by a writing according to a form set forth in Schedule (B.) annexed to this Act, or such other form as shall be from time to time approved by the Governor-general of India in Council, attested by the signature of the Registrar or his assistant, and by the signature of the master of the vessel on which he is engaged to serve, and in which writing the purpose shall be stated, authorize the said Registrar to receive monthly from the owner of the said vessel or his agent, any part of his wages, not exceeding one-third thereof, for the time for which he shall not have received any advance, for the purpose of maintaining his family during his absence, the said owner or his agent shall, on demand of the said Registrar, pay such sum to him, to be applied as aforesaid, without requiring any proof from the said Registrar that the said seaman is still on board the said vessel.

VII. All such payments, whether by the owner, his agent or by the Registrar, shall cease from and after the production of a certificate from the master of the vessel, of the death, desertion or discharge of the said seaman, or on reasonable evidence that the vessel has been lost; but no payment actually made by the Registrar to the party appointed by the said seaman, shall be reclaimable by reason of his death, desertion or discharge, or of the loss of the vessel.

VIII. All

VIII. All such receipts and payments shall be entered in a book, and all entries in the said book shall be authenticated by the Registrar under his signature or the signature of his assistant; and the said book shall be, at all times, open to the inspection of the parties concerned.

IX. At the time of witnessing the execution of the agreement for service, the Registrar shall explain to the seamen, parties thereunto, the conditions on which they can allot a part of their pay to their families during their service; and it shall be the duty of the Registrar to see that all seamen leaving the port have the option of allotting part of their pay as aforesaid.

X. The master of every such vessel, before leaving any port of registry, shall deliver to the Registrar a list, signed by himself, of the name of every seaman engaged by him in the territories under the government of the East India Company (including apprentices), with their rating and the number of their register tickets, according to such form as shall be from time to time approved by the Governor-general of India in Council; and, if he shall not have engaged any seaman within the said territories, the master shall deliver to the Registrar a certificate of the fact signed by himself; and, on receiving the said list or certificate, and on being satisfied of its truth, the Registrar shall give to the master a certificate under his hand, that the master of such vessel has complied with the regulations of the registry-office. Every master of any such vessel, who shall leave a port of registry, without delivering such list or certificate as aforesaid, shall be liable to a penalty not exceeding 200 rupees.

XI. For the purpose of preventing any seaman from being shipped on board of any vessel in any port of registry contrary to the provisions of this Act, the Registrar of the port, by himself or his agents, in a peaceable manner, may enter at any time on board of any such vessel, and muster and examine the several seamen employed therein; and any person who shall obstruct the said Registrar or his agents in such duty, shall be liable to a penalty not exceeding 100 rupees.

XII. In cases when the Registrar shall have reason to believe that any of the provisions of this Act has been evaded or neglected by the master, owner or agent of any ship about to go to sea, the Registrar, by a writing under his hand, may stay the grant of a port-clearance by the Master Attendant; and every Master Attendant shall comply with the written requisition of the Registrar in this respect.

XIII. The master of every such vessel on which any seaman engaged under this Act may be serving, shall, within seven days after the arrival of such vessel at the port where the voyage ends, or after the end of the service, according to the agreement entered into, in accordance with this Act, pay or cause to be paid to such seamen the wages remaining due to them for their services, taking a receipt from each man for the amount paid to him, either separately or on a general list, which receipt shall be certified by the chief or second officer, or other credible witness, and otherwise shall be of no force or validity.

XIV. Every master or owner, who shall neglect or refuse to pay any seaman's wages, within the time mentioned in the last section, shall forfeit and pay to such seaman the amount of two days' pay, to be recovered as wages, for each day, not exceeding 10 days in the whole, during which such payment has been delayed without sufficient cause.

XV. If any seaman to whom any wages are due die before the wages due have been paid, then the wages shall be paid to the Registrar of the port of registry at which the ship shall first touch after his death, and the Registrar shall pay the same to his legal representative, and failing such legal representative, after the expiration of 12 months from the 1st of January next following the day on which he shall have received the said balance, into the Treasury of the East India Company, after having given due notice of such unclaimed balance being in his possession, by advertisement in the Gazette, at least twice during such period.

XVI. Every master of a vessel, who shall be convicted before a magistrate of having neglected to pay to the Registrar, within 10 days of the ship's arrival in the port as aforesaid, the wages due to the deceased seamen, shall forfeit three times the amount of wages so neglected to be paid; and further shall be subject to

such fine not exceeding 100 rupees, for each case of neglect, as to such magistrate shall seem fit.

XVII. Whenever any merchant vessel, navigated and registered as is mentioned in Section I, and not having been wrecked or condemned, shall be sold or disposed of at any port out of the territories under the government of the East India Company, or whenever the service of any seaman shall end at any such port, the master shall give to each seaman a certificate of discharge, and his register ticket, and also either provide for him fit employment on board some other such vessel bound to some port within the said territories, or provide for him a passage to the port at which he was shipped, or such other port as may be agreed on, either free of cost, or by depositing with the British Consul or Vice-Consul, or if there be none such, with some resident merchant of the port not interested in the vessel, such a sum of money as shall be by him deemed reasonably enough to pay the expenses of his subsistence and passage, which money shall be paid over and above any wages which may be due to him.

XVIII. If the master shall neglect or refuse to provide employment or the means of passage for any of his crew as mentioned in the last section, the expense of doing so, when defrayed, shall be a charge on the owner of the vessel, unless in cases of barratry, wreck or condemnation, and may be recovered with full costs of suit from such owner as so much money paid on his account, at the suit of the Consul or any other person defraying such expenses, or at the suit of the East India Company, in case the same has been paid or allowed out of any monies belonging to the East India Company; and, if defrayed by the seaman himself, may be recovered as wages due to him.

XIX. The obligations of the last two sections shall not apply to such of the crew as shall consent, in writing, before the British Consul or Vice-Consul, or if there be no British Consul or Vice-Consul at the port, before one or more resident merchants not interested in the vessel, to be then and there discharged.

XX. In all cases of wreck or loss of the ship, every seaman then on board shall be entitled to his wages up to the time of the wreck or loss, whether or not the ship has earned freight; provided he shall produce, from the master or chief surviving officer of the ship, a certificate that he did his best to save the ship, cargo and stores.

XXI. Every seaman shall be entitled to receive an increase of his wages for every day on which the allowance of provisions, which it was agreed he should receive, shall be reduced, at the rate of one anna daily, while the reduction is not more than one-third of the quantity, and two annas daily, while the reduction is more than one-third; and these pecuniary allowances shall be recoverable as his other wages are.

XXII. No assignment or sale of seamen's wages, salvage or prize money, made before the accruing thereof, nor any power of attorney expressed to be irrevocable, for the receipt of any seaman's wages, salvage or prize money, shall be valid or binding on the party making the same; and any attachment to be issued out of any court, shall not prevent the payment of any seaman's wages, salvage or prize money to him.

XXIII. Every such vessel shall have always on board a sufficient supply of medicines and appliances, suitable for diseases and accidents likely to happen on sea voyages, according to such scale as shall be from time to time issued by the Superintendent of the Indian Navy, with the approval of the Governor-general of India in Council, and published in the Government Gazettes at Calcutta, Madras and Bombay; and in default thereof, the owner of the vessel shall be liable to a penalty not exceeding 200 rupees, and five rupees for every day during which such default shall wilfully continue.

XXIV. Whenever the master, or any officer or seaman of any such vessel shall receive any hurt or injury in the service of the vessel, the expense of providing the necessary surgical and medical advice and attendance, with medicines, and for his subsistence, until he shall be cured or shall be brought back to the port from which he was shipped, or other port agreed upon, shall be defrayed, with the cost of his conveyance to such port, by the owner of the vessel, without any deduction on that account from the wages of such master, officer or seaman; and, if paid by himself,

himself, may be recovered as part of his wages; and, if paid or allowed out of any monies belonging to the East India Company, may be recovered with full costs of suit, as a debt due to the East India Company.

XXV. If any vessel on board of which there shall be any seaman who has received an advance under this Act, shall, before going on the voyage for which such advance shall have been paid, be destroyed or injured by fire or other cause, so as to prevent her going on her then intended voyage, or if such voyage shall be discomfited at the beginning, or before the advance has been worked out, the master, owner or agent of such vessel may demand from such seaman, unless he shall pay back the amount so advanced to him, service to the full amount of the advance received by him, on board of any other vessel; and such seaman, until he has worked out such advance, shall not be entitled, without the consent of such master, owner or agent, to take service in any vessel other than that on which he is so required to serve; and any such seaman who shall refuse to work out such advance on board such other vessel, on summary conviction of his refusal before any magistrate or justice of the peace, shall be liable to be imprisoned, with hard labour, for any term not exceeding six months.

XXVI. The Registrar of Seamen may grant, from time to time, to such persons as he may deem fit, a license to act as broker for procuring seamen for vessels shipping men under this Act, and also a license to the keeper of any lodging-house for seamen, enabling him to allow seamen to be engaged at his house, and also may revoke and annul such license on the misconduct of any such person; and every such license shall be granted for such term, upon such conditions and upon such security given as the said Registrar shall from time to time appoint.

XXVII. Every person not licensed as aforesaid, and not being the owner, part owner, master or person in charge of the vessel on board of which the men are to serve, who shall hire or engage a seaman to be entered on board any merchant ship, at any port of registry, and every person, whether licensed or not, other than the owner, part owner, master or person in charge of the merchant ship on board of which the men are to serve, who shall demand or obtain the register ticket of any seaman, for the purpose or under the pretence of engaging him on board of any merchant ship, and every person, whether or not licensed as aforesaid, who shall ask or take, directly or indirectly, from any seaman any fee, reward or other valuable consideration for hiring or engaging, or endeavouring to hire or engage him on board of any merchant ship, shall be liable to a penalty not exceeding 500 rupees.

XXVIII. Every licensed broker, who shall engage any seaman at any punch-house or tavern, not being a licensed lodging-house for seamen as aforesaid, or who shall be directly or indirectly interested in any punch-house or tavern not being a licensed lodging-house for seamen as aforesaid, shall forfeit his license.

XXIX. Every person who shall persuade or endeavour to persuade or hinder any seaman from complying with any of the provisions of this Act, or who shall counsel such seaman to desert, or who shall conceal, or aid in concealing or maintaining any seaman who has deserted, shall be liable to a penalty not exceeding 500 rupees.

XXX. If a seaman engaged under this Act shall at any time, whether before or during any voyage, neglect or refuse to join the vessel on board of which he shall have engaged to serve, or shall refuse to go to sea in such vessel, or shall absent himself therefrom without leave, or shall desert, any justice of the peace or magistrate in the territories under the government of the East India Company, at or near to the place where such vessel shall happen to be, or where such seaman shall be found, upon complaint made upon oath by the master, mate or owner, or his agent, may issue his warrant, and cause such seaman to be taken into custody and brought before him; and upon due proof of such neglect, refusal or absence without reasonable excuse, or of desertion, may commit such seaman to prison, or to the house of correction, there to be imprisoned, with or without hard labour, for a term not exceeding 30 days; or if he shall think fit, at the request of the master, mate or owner, or his agent, instead of committing such seaman, may cause him to be taken on board the said vessel, or to be delivered to the master, mate or owner, or his agent, for the purpose of being so taken and going on the voyage; and also may award to the master, or owner or his agent, such costs

incurred in the apprehension of the seaman, as to such justice or magistrate shall seem reasonable, not exceeding in any case the sum of 20 rupees, which shall be chargeable against, and may be deducted from the wages of such seaman.

XXXI. Every seaman engaged under this Act, who during the term of his service shall wilfully and without leave absent himself from the vessel, or otherwise from his duty, shall (in all cases not of desertion, or not treated as such by the master) forfeit out of his wages the amount of two days' pay, and for every 24 hours of such absence, the amount of six days' pay, or, at the option of the master, the amount of such expenses as shall have been necessarily incurred in hiring a substitute; and every seaman who, while he shall belong to the vessel, shall, without sufficient cause, neglect or refuse to perform his duty reasonably required of him by the master or other person in command of the vessel, shall be subject to a like forfeiture, in respect of every such offence and of every 24 hours' continuance thereof; and every such seaman who, after the vessel's arrival at her port of delivery, and during the term of his service, shall leave the vessel without a discharge or leave from the master, shall forfeit one month's pay out of his wages: Provided always, that no such forfeiture shall be incurred, unless the fact of the seaman's absence, neglect or refusal shall be duly entered in the log-book, the truth of which entry the owner, master or agent, in all cases of dispute, shall be bound to substantiate, by the evidence of the mate or some other credible witness.

XXXII. Every seaman engaged under this Act who shall desert his vessel, shall forfeit to the owner all his clothes and effects which he may leave on board, and also all wages and emoluments to which he might otherwise be entitled: Provided always, that every desertion be entered in the log-book at the time, and certified by the signatures of the master and the mate, or the master and one credible witness.

XXXIII. If any seaman shall desert during the term for which he has engaged to serve, in any place beyond the port where he was engaged, and the master of the vessel shall engage a substitute at a higher rate of wages than that stipulated in the agreement to be paid to the seaman so deserting, the owner, agent or master of the vessel shall be entitled to recover from the deserter, by summary proceeding, in the same manner as penalties are by this Act made recoverable (so far as the same can be applied), any excess of wages or portion thereof which such owner, agent or master shall pay to such substitute, beyond the amount which would have been payable to the deserter if he had duly performed his service: Provided always, that no seaman shall be imprisoned longer than three calendar months for non-payment of any such excess of wages.

XXXIV. The absence of a seaman from his vessel for any time within 24 hours immediately before the sailing of a vessel from any port, whether before or during any voyage, wilfully or knowingly, without leave, or the wilful absence of a seaman from his vessel at or for any time without leave, and in such manner as to show an intention to abandon his vessel and not return thereto, shall be deemed desertion.

XXXV. Every person who shall wilfully harbour or conceal any seaman or apprentice who shall have deserted, knowing or having reason to believe such seaman or apprentice to be a deserter, shall for every such seaman or apprentice so harboured or concealed, be liable to a penalty not exceeding 100 rupees.

XXXVI. No debt exceeding in amount three rupees, incurred by any seaman after he shall have engaged to serve under this Act, shall be recoverable until the service agreed for shall be ended; nor shall any keeper of a public-house, or of a lodging-house for seamen, be entitled to detain any chest, tools or other property of any seaman for any debt alleged to have been contracted by him; and in case of such detention of the chest, tools or other property of a seaman, any justice of the peace or magistrate at or near the place, upon complaint upon oath to be made by such seamen, or by any person on his behalf, may inquire into the matter upon oath in a summary way, and, by warrant under his hand and seal, may cause such property to be seized and delivered over to such seaman, and the person so detaining the same shall be liable to a penalty not exceeding 100 rupees.

XXXVII. Any

XXXVII. Any justice of the peace or magistrate within the territories subject to the East India Company, upon complaint made by any three or more of the crew of any such vessel, shall survey and examine, or cause to be surveyed and examined, the provisions, water and medicines put or supplied on board of the vessel for the use and consumption of the crew; and if on such survey and examination it shall be found that such provisions, water or medicines are of a bad quality, or unfit for use, or not such as should be provided, or there shall not appear to be a sufficient quantity thereof, the surveying officer shall signify the same in writing to the master of the vessel; and if such master shall not thereupon provide other fit provisions, water or medicines, instead of any which may be signified by the said surveying officer to be of a bad quality or unfit, or if any such master shall not thereupon procure the needful quantity of provisions, water and medicines, or shall issue to the crew any provisions, water or medicines which shall have been signified by the surveying officer to be of a bad quality or unfit, he shall in each of such cases be liable to a penalty not exceeding 500 rupees.

XXXVIII. A place of shelter shall be provided below a well-caulked and substantial deck for the men engaged under this Act, large enough to allow four superficial feet for every man; and if the place allotted be under the top-gallant forecastle, such forecastle deck shall be not less than four feet six inches above the one below it; and, in default thereof, every man who is unprovided with such adequate shelter shall be entitled to have an increase of his wages, at the rate of four annas daily, while he is so unprovided, which shall be recoverable as his other wages are.

XXXIX. All penalties directed by this Act may be imposed, on summary conviction, before a magistrate or justice of the peace, and may be recovered with costs as if they were imposed by a magistrate under Act II. 1839.

XL. All claims for wages or forfeitures due and incurred under the agreements entered into under this Act, may be heard and determined by any justice of the peace or magistrate, and the amount, with costs, awarded by such justice or magistrate, shall be recovered from the party against whom the award is made, in the same manner as fines levied under the provisions of Act II. 1839.

XLI. Every person having the charge or command of any vessel sailing under this Act shall be deemed to be the master of such vessel within the meaning of this Act, and every other person (apprentices excepted) who shall be employed or engaged to serve in any capacity on board, except as surgeon, shall be deemed to be a seaman, within the meaning of this Act; and the term "owner" shall be deemed to comprehend all the several persons, if more than one, to whom the vessel belongs; and the term "agent" shall be deemed to comprehend all the several persons, if more than one, who are agents of the "owner."

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## SCHEDULE (A.)

AN AGREEMENT made pursuant to an Act passed by the Governor-general of India in Council, and numbered No. XXVIII. of 1850, between the master of the ship of the port of and of the burden of tons, and the several persons whose names are set hereto, on behalf of themselves and others shipped on board the said ship within the territories under the government of the East India Company.

IT is agreed by and on the part of the said persons, and they severally hereby engage to serve on board the said ship, in the several capacities against their respective names expressed [or from the day of to the day of both inclusive] (where the intended voyage is to be described as nearly as can be done, and the places at which it is intended the ship shall touch, or, if that cannot be done, the nature of the voyage on which she is to be employed:) and the said crew further engage to conduct themselves in an orderly, faithful, honest, careful and sober manner, and to be at all times diligent to their respective duties and stations, and to be obedient to the lawful commands of the master, in everything relating to the said ship, and the materials, stores and cargo thereof, whether on board such ship, in boats or on shore, in consideration of which services, to be duly, honestly, carefully and faithfully performed, the said master doth hereby promise and agree to pay to the said crew, by way of compensation or wages, the amount against their names respectively expressed. And it is hereby agreed, that any embezzlement, or wilful or careless loss or destruction of any part of the ship's cargo or stores, shall be made good to the owner out of the wages (so far as they will go) of the seaman guilty of the same; and if any seaman shall have entered

himself as qualified for a duty for which he shall prove unfit, he shall be liable to a reduction of the rate of wages hereby agreed for, in proportion to his unfitness. In witness whereof the said parties have hereto set their names, on the days against their respective signatures mentioned.

| No. and Date of Ship's Register. | Place and time of Entry. | | | Men's Names set forth at full length. | Number of Register Ticket. | Name of the Ship in which the Seaman last served. | Age. | Town or Country where Born, or Place of Birth. | Caste or Profession. | Amount of Wages per Calendar Month, Share or Voyage. | Amount of Wages advanced at Time of Entry. | Amount of Monthly Allotment. | Quantity and Quality of Provisions per Day. | Signature. | Witness's Signature. |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Day. | Month. | Year. | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | |

Whereby declare the truth of all the particulars set forth in this agreement made at the Port of ( ) this day of 18

_____ Master.

_____ Mate.

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## SCHEDULE (B.)

TICKET of ALLOTMENT of WAGES by a Registered Seaman at the Port of

I, registered number now serving as on board the vessel at monthly wages of rupees hereby authorize and request the Registrar of Seamen at to receive from the agents of the one-third of my monthly wages as they become due, after I shall have served the time for which I have received advance, which time will expire on the day of next, and I hereby authorize the Registrar to pay the same to my or the person holding this paper, taking his or their receipt, monthly, on the back hereof.

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## ACT No. XXXI. of 1850.

Passed by the Honourable the President of the Council of India in Council, on the 9th of August 1850, with the assent of the Most noble the Governor-General of India.

AN ACT for protecting the Salt Revenue in *Bombay*.

WHEREAS it is expedient to provide for the better protection of the salt Excise revenue, and to bring under control the right of opening or continuing salt-works, within the Presidency of Bombay; it is enacted as follows:

I. A duty of Customs shall be levied on salt passing by land into or out of foreign European settlements, or territories declared to be foreign under Section VIII., Act I. 1838, at the same rate as the Excise duty leviable on salt within the territories subject to the Presidency of Bombay.

II. The said duty of Customs shall be levied in the same manner, and under the same rules and restrictions, and subject to the same penalties as is prescribed for the levy of duties of Customs on goods imported and exported by land by Act I. 1838.

III. Any person who shall be concerned in passing salt, either by land or sea, contrary to the provisions of this or any other Act, shall be punishable with imprisonment for a term not exceeding three months, or fine not exceeding 500 rupees, or both.

IV. All salt passed, or attempted to be passed or removed contrary to the provisions of this or any other Act, and all vessels, carriages and animals used in

in so passing or removing such salt, and the contents of any package in which such salt may be concealed, shall be liable to confiscation, at the discretion of the Governor of Bombay in Council, but may be redeemed on payment of such fine as the Governor in Council, or any officer or officers of the Revenue Department to whom the Governor in Council shall think fit from time to time to delegate this power, may think reasonable.

V. The Governor of Bombay in Council, or any officer or officers of the Revenue Department to whom the Governor in Council shall think fit from time to time to delegate this power, may reward informers and other persons through whose means any seizure of salt is made under this or any other Act, out of the proceeds of any such confiscation, or of the fine paid in redemption thereof.

VI. No new salt-works shall be established, and no old works not in use at the time of passing this Act, or which shall hereafter be abandoned during three consecutive seasons, shall be re-opened within the territories subject to the Presidency of Bombay, without the permission of the Governor of Bombay in Council; and any person who shall infringe these prohibitions shall be punishable with imprisonment for a term not exceeding three months, or fine not exceeding 500 rupees, or both.

VII. The Governor of Bombay in Council may, at his discretion, suppress any salt-work which, on an average of any three years, does not produce yearly at least 5,000 Indian maunds of salt.

VIII. Sec. VII. Act XXVII. 1837, shall be applicable to any tracts of country where salt is found.

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RESOLUTION of the Government of India, 27 September 1845.

THE Governor-general in Council observes that the price of salt at Bombay, exclusive of the Excise duty, is very cheap, only between two and three annas a maund, a rate at which it is utterly impossible to manufacture it in Bengal. Cheap, however, as it is, it will not bear the cost of a long sea voyage to ports where salt is not an article of monopoly, and not liable to duty.

Thus, in respect to the Straits Settlements, Bombay salt finds its way as far as Penang, but is not worth taking to Singapore, because it there meets with a successful competitor in the shape of salt from Siam and Cochin China.

Even the salt taken to Penang seems in some degree to depend on the cheapness of freight; and it is asserted in this correspondence, that it will not bear the moderate export duty of one anna per maund for the Penang market.

There is no duty whatever on salt in any of the ports of the Straits Settlements, and no restriction on its manufacture.

The value of the export salt trade from Bombay to the Eastern Settlements is very trifling; still if Bombay salt can be taken with profit to distant ports not on the Continent of India, whether British or foreign, there seems no reason why its export should not be encouraged by the lowest possible duties, or even letting it pass free.

The only difficulty is, that when salt is allowed to be put on board ship free of duty, there is very great temptation to smuggle it on shore on the coast. If this can be prevented, the Governor-general in Council is willing to encourage its export elsewhere.

He is accordingly pleased to resolve that salt shipped from the port of Bombay for ports, whether British or foreign, not on the Continent of India or the Island of Ceylon, shall be allowed to be exported by sea free of duty. The Government of Bombay will be pleased to take every precaution for ensuring that salt so exported shall *bonâ fide* be taken to the ports for which it is manifested.

It will be observed, that there is a very remarkable discrepancy between the quantity of salt stated to have been exported from Bombay to Penang in 1843–44, and that acknowledged to have been imported into Penang from Bombay. The former is stated at 259 tons, the latter at 1,795 tons. It is not easy to account for the difference, excepting on the supposition, the vessels, possibly to evade the difference between one anna and a quarter anna duty at Bombay, may have carried into Penang salt not originally destined or cleared for that port.

Order. *Ordered*, That a copy of the foregoing resolution be sent for information to the Home Department, whence the necessary communication will be made to the Government of Bombay, in reply to Mr. Secretary Townsend's letter, No. 3,263, dated the 9th July last, and that the original papers be returned to the Home Department, copies being retained for record in this office.

(A true extract.)

(signed) *J. A. Dorin*,
Secretary to Government of India.

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No. 2,746.

From Under-Secretary to the Government of Bengal to the Sudder Board of Revenue.

Gentlemen,

Customs. With reference to your letter, No. 470, dated the 7th December last, I am directed to transmit copy of one from the Secretary to the Government of India, in the Home Department, No. 718, of the 4th instant, sanctioning the levy of a duty of 15 per cent., calculated on a valuation at the rate of 14 rupees per ton, on all timber imported into Moulmein, whether the growth of the Tenasserim provinces, or of any foreign territory.

2. Your Board are requested to communicate a copy of Mr. Secretary Bushby's letter to the Commissioner of the Tenasserim provinces, for his information and guidance.

I have, &c.
(signed) *C. Beadon*,
Under-Sec. to Govt. of Bengal.

Fort William, 22 October 1845.

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From the Under-Secretary to the Government of Bengal to the Board of Customs, Salt and Opium.

Gentlemen,

I am directed to acknowledge the receipt of your letter, No. 2,538, dated the 11th instant, with enclosure, and in reply to state, that the Deputy-governor of Bengal approves of the proposal submitted by the Collector of Government Customs at Calcutta, for exempting hay from the payment of Customs duty.

I have, &c.
(signed) *C. Beadon*,
Under-Sec. to Govt. of Bengal.

Fort William, 24 December 1845.

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Notification.

Fort William, 25 March 1846.

Salt. With reference to the notification of the 21st May last, published in the supplement to the Calcutta Gazette of that date, it is hereby declared, for general information, that no alteration will be made either in the duty now levied on imported salt, or in the prices demanded for salt sold by wholesale on account of Government, before the 1st April 1847, or until such further time as may be determined on.

By Order of the Honourable the Deputy-governor of Bengal.

(signed) *F. J. Halliday*,
Sec. to the Govt. of Bengal.

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From *C. Beadon*, Esq., Under-Secretary to the Government of Bengal, to the Board of Customs, Salt and Opium.

Gentlemen,

Abkaree. I am directed to acknowledge the receipt of your letter, No. 801, dated the 24th ultimo, with its enclosure; and, in reply, to state that the Deputy-governor of

of Bengal is pleased to sanction, as a temporary measure, the exemption from payment of the Excise duty on rum used in the manufacture of molasses intended for exportation, and to approve of the arrangements which the Board propose to adopt for preventing loss to the abkarry revenue.

I have, &c.
(signed) *C. Beadon*,
Under-Sec. to the Govt. of Bengal.

Fort William, 6 May 1846.

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From *C. Beadon*, Esq., Under-Secretary to the Government of Bengal, to the Board of Customs, Salt and Opium.

Gentlemen,

Customs.

In reply to your letter, No. 830, dated the 30th ultimo, and enclosures, I am directed to state that the Deputy-governor of Bengal is pleased to comply with the application from Messrs. J. Mackey & Co., for passing free of duty the guano imported per "Royal Albert," and to authorise your Board to comply with all such applications in future.

2. The original enclosures of your letter are herewith returned.

I have, &c.
(signed) *C. Beadon*,
Under-Sec. to the Govt. of Bengal.

Fort William, 13 May 1846.

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No. 416.

Fort William; Home Department, Separate, Revenue, 13 June 1846.

RESOLUTION.

THE Honourable the President of the Council of India in Council is pleased to resolve, that so much of the Resolution of the Government of India, dated the 8th September 1841, as excepted the settlement of Prince of Wales' Island and Province Wellesley from the operation of the prohibition contained in the 1st section of the Act, No. VI. of 1841, and made it lawful to import therein foreign rum and rum-shrub, or rum and rum-shrub the produce of any British possession into which foreign rum and rum-shrub could by that order be legally imported, be cancelled, and the permission thereby given to import such rum and rum-shrub into Prince of Wales' Island and Province Wellesley is accordingly hereby rescinded.

Published by order of the Honourable the President of the Council of India in Council.

(signed) *G. A. Bushby*,
Secretary to the Govt. of India.

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No. 496.

Fort William; Home Department, Separate, Revenue, 18 July 1846.

RESOLUTION.

THE Honourable the President of the Council of India in Council is pleased to resolve, that so much of the Resolution of the Government of India, dated the 8th September 1841, as excepted the settlement of the Tenasserim provinces from the operation of the prohibition contained in the 1st section of the Act No. VI. of 1841, and made it lawful to import therein foreign rum and rum-shrub, or rum and rum-shrub the produce of any British possession into which foreign rum and rum-shrub could by that order be legally imported, be cancelled, and the permission thereby given to import such rum and rum-shrub into the settlements of the Tenasserim provinces is accordingly hereby rescinded.

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Fort William; Home Department, Separate, Revenue, 18 July 1846.

RESOLUTION.

THE Honourable the President of the Council of India in Council is pleased to resolve, that so much of the Resolution of the 28th December 1844, as excepted the Tenasserim provinces from the operation of the prohibition contained in section 3, of the Act 6 & 7 Will. 4, c. 26, and made it lawful to import therein foreign sugar, or sugar the growth of any British possession into which foreign sugar can be legally imported, be cancelled, and the permission thereby given to import such sugars into the settlements of the Tenasserim coast is accordingly hereby rescinded.

Published by order, &c.

(signed) *G. A. Bushby*,
Sec. to the Govt. of India.

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No. 11.

From the Under-Secretary to the Government of Bengal to the Board of Customs, Salt and Opium.

Gentlemen,

Customs. I AM directed to acknowledge the receipt of your letter, No. 2,460, dated the 31st ultimo, with its enclosure, and in reply to state, that under the circumstances therein reported, the Deputy-governor of Bengal authorises your Board to instruct the Collector of Government Customs at Calcutta, to exempt moulding sand from the payment of import duty.

2. The original enclosure of your letter is herewith returned.

I have, &c.
(signed) *C. Beadon*,
Under-Sec. to Govt. of Bengal.

Fort William,
13 January 1847.

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No. 583.

ORDERS by the Honourable the Deputy-Governor of *Bengal*.

NOTIFICATION, 31 March 1847.

ON the 25th March 1846, it was notified in the Supplement to the "Calcutta Gazette" of that date, that no alteration would be made either in the duty levied on imported salt, or in the prices of salt sold by wholesale on account of Government, before the 1st April 1847.

The Deputy-governor of Bengal, with the concurrence of the Government of India, has now been pleased to determine, that on and after the 1st April 1847, the rate of duty to be charged on salt imported by sea into any part of the Presidency of Fort William in Bengal, shall be 2 rupees and 12 annas upon every maund of 3,200 tolahs. On and after the same date, the whole of the salt in store at the several public depôts will be available at the following wholesale prices, subject in other respects to the rules and conditions now in force;

| | | |
|---|---|---|
| Hidgellee - agency salt - - - | *Rs.* 337 | per 100 maunds. |
| Tumlook - ditto - - - - | 353 | „ |
| 24-Pergunnahs, ditto - - - - | 372 | „ |
| Chittagong - ditto - - - - | 356 | „ |
| Arrakan salt at Chittagong - - - | 355 | „ |
| Ditto - - Kenkra - - - | 357 | „ |
| Cuttack agency salt at Sulkea - - | 375 | „ |
| Balasore - ditto - - - | 362 | „ |
| Khoordah - ditto - - - | 373 | „ |
| Madras Kurkutch, ditto - - - | 331 | „ |

The Government reserves to itself the power of reimposing the full amount of duty authorized by law, if circumstances should arise to render such a measure necessary; but no alteration whatever will be made, either in the duty now fixed on imported salt, or in the prices to be paid for salt sold by wholesale on account of Government, before the 1st April 1849.

Collectors

Collectors of the land revenue, and all officers of Government in fiscal charge of districts, are hereby directed to make known the substance of this notification as widely as possible.

The Board of Customs, Salt and Opium will issue the subsidiary instructions necessary for the guidance of their subordinates in the Salt and Customs Departments.

By order of the Honourable the Deputy-governor of Bengal.

(signed) *Fred. Jas. Halliday,*
Secy. to the Govt. of Bengal.

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No. 320.

Fort William; Home Department, Separate, Revenue, 15 May 1847.

NOTIFICATION.

THE President in Council is pleased to resolve, with reference to the Schedule annexed to Act IX. of 1845, that when wines, liqueurs and spirits shall be imported by sea into any port of the Presidencies of Fort William in Bengal, Bombay or Fort St. George, in bottles, six of the common wine or beer quart bottles shall ordinarily be deemed equal to the imperial gallon, for the assessment of Customs duty; but in cases of doubt, the exact measurement of contents shall be ascertained, and the Customs duty adjusted accordingly.

(signed) *G. A. Bushby,*
Secy. to the Govt. of India.

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NOTIFICATION by the Board of Customs, Salt and Opium.

NOTIFICATION.

Fort William, 30 June 1847.

IN modification of the rules for bonding salt, promulgated on the 28th September 1841, under the authority of the Board of Customs, Salt and Opium, it is hereby notified, that parties desirous of bonding imported salt in private warehouses, may apply to the Collector of Customs for a license in the form (C.), appended to Act No. XXV. of 1836.

If the Board are satisfied, on the Collector's report, that the warehouses mentioned in the application are well adapted for the secure custody of the salt, a license will be granted under section 19 of the above-mentioned Act, and salt may then be bonded therein, under the restrictions provided by the Act in respect of any other article of merchandize bonded in a private warehouse.

A portion of the Government golahs at Sulkea will be set apart from the 15th proximo, as a public warehouse for the reception of salt, on the same terms, at a fixed rent, and will continue to be available for that purpose until required by Government.

The rate of wastage allowed upon salt so warehoused, will be at the rate of 4 per cent. per annum upon the quantity weighed over the ship's side; but the import duty will be settled on the quantity so delivered, according to the provision of section XVIII. Act No. XXV. of 1836.

Warehouses licensed for the reception of salt under bond, will not be available for goods of any other description.

All expenses attending the receipt, storage, custody and delivery of salt at warehouses licensed as above, or in the Sulkea golahs, will be borne by the parties availing themselves of the privilege.

Parties who are unable to provide warehouses so constructed and situated as in the opinion of the Board effectually to provide for the secure custody of salt while under bond, will be allowed, as before, to warehouse their salt under the rules of the 28th September 1841, which otherwise remain in full force, except in so far as they are modified by this notification.

By order of the Board of Customs, Salt and Opium, the 30th June 1847.

(signed) *Cecil Beadon,*
Offic. Secretary.

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From the Under-Secretary to the Government of Bengal, to the Board of Customs, Salt and Opium.

Gentlemen,

Customs. I AM directed to acknowledge the receipt of your letter, No. 1,888, dated the 13th instant, with enclosures, and in reply to state, that the Deputy-governor has been pleased to comply with the application from Captain Engledue, for exempting from the payment of Customs duty the patent fuel imported on account of the Peninsular and Oriental Steam Navigation Company.

2. His Honor approves of your Board's suggestion for allowing generally all patent fuel imported into Calcutta to be passed free of duty, and you are accordingly authorized to issue the necessary orders on the subject to the Collector of Government Customs.

I have, &c.
(signed) *A. R. Young*,
Under-Sec. to the Govt. of Bengal.

Fort William,
20 October 1847.

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No. 830.

Fort William; Home Department, Separate, Revenue, 31 December 1847.

NOTIFICATION.

THE Governor-general in Council is pleased to resolve, that cotton wool be henceforth exempted from any demand on account of export duty throughout India.

The Governor-general in Council is further pleased to resolve that cotton wool, the produce of any part of the Continent of India, be henceforth exempted from any demand on account of import duty at the port of Madras, in like manner as this article is now exempt from import duty at the port of Bombay, under sec. II. of Act II. of 1846.

By order of the Right honourable the Governor-general of India in Council.

(signed) *G. A. Bushby*,
Sec. to the Govt. of India.

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No. 907.

Fort William; Home Department, Separate, Revenue, 14 October 1848.

NOTIFICATION.

THE President of the Council of India in Council, with the concurrence of the Right honourable the Governor-general, is pleased to resolve, in modification of the rate prescribed in Schedule (A.), annexed to Act VI. of 1844, that from and after the date of publication of a notification to that effect in the Fort St. George Gazette, the duty chargeable on the import of tobacco by sea into any port of the Presidency of Fort St. George, shall be 5 per cent.* ad valorem.

(signed) *G. A. Bushby*,
Secretary to Government of India.

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NOTIFICATION of the Board of Customs, Salt and Opium.

NOTIFICATION.

Fort William, 21 October 1848.

Customs. IN further modification of the rules in force for warehousing imported salt under bond, it is hereby notified, that in settling for the import duty on clearance of the salt, a deduction will be allowed on account of wastage, at a rate not exceeding 4 per cent., upon the quantity delivered over the ship's side: Provided, however, that if the Collector of Customs have reason to believe that any portion of

* *N. B.*—Malabar and Canara are excepted in the notification of the Government of Fort St. George.

of the salt has been clandestinely or fraudulently removed, he will be at liberty to levy duty on the entire quantity so delivered.

The duty upon bonded salt will be levied at the rate in force at the time of clearance.

The Collector of Customs may, at his discretion, allow parties to whom salt stored in bond may be transferred, to enter into a new engagement for the payment of duty upon the entire quantity weighed over the ship's side; and upon execution thereof to cancel the bond of the first owner, importer or consignee, and release him from further responsibility.

By order of the Board of Customs, Salt and Opium, the 21st October 1848.

(signed) *Cecil Beadon,*
Officiating Secretary.

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Fort William; Home Department, Separate, Revenue, 4 November 1848.

NOTIFICATION.

IT having been represented to the Government of India that sugar from Singapore and Malacca has hitherto, in contravention of the law, been imported into the Tenasserim provinces, and further, that the prevention of such importation would be likely to check the increasing rice cultivation and trade of the Tenasserim provinces, and without any present benefit to sugar growers in those provinces, the Honourable the President of the Council of India in Council has resolved to remove the existing prohibition against the importation into the Tenasserim provinces of foreign sugar, rum and rum-shrub, or sugar, rum and rum-shrub the produce of any British territory into which foreign sugar, rum and rum-shrub can be legally imported; and it is hereby declared, that the resolutions of the 18th July 1846, making such importation illegal, are rescinded accordingly.

By order of the President in Council.

(signed) *G. A. Bushby.*

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NOTIFICATION.

31 March 1849.

ON the 31st March 1847, it was notified in the Calcutta Gazette of that date, that no alteration would be made, either in the duty levied on imported salt, or in the prices of salt sold by wholesale on account of Government, before the 1st April 1849.

The Deputy-governor of Bengal, with the concurrence of the Government of India, has now been pleased to determine, that on and after the 1st April 1849, the rate of duty to be charged on salt imported by sea into any part of the Presidency of Fort William in Bengal, shall be 2 rupees and 8 annas upon every maund of 3,200 tolahs.

On and after the same date, the whole of the salt in store at the several public depôts will be available at the following wholesale prices, subject in other respects to the rules and conditions now in force, the price in each instance being equal to the fixed duty above-mentioned, added to the cost of production:—

| | | |
|---|---|---|
| Hidgellee salt, at the Agency depôts | *Rs.* 310 | per 100 maunds. |
| Ditto - at Sulkea | 323 | ,, |
| Tumlook salt | 322 | ,, |
| 24 Pergunnahs salt, at Baugundee | 347 | ,, |
| Ditto - - - at Sulkea | 354 | ,, |
| Chittagong salt | 329 | ,, |
| Arrakan salt, at Kyack Ghyas | 302 | ,, |
| Ditto - at Chittagong | 330 | ,, |
| Cuttack salt, at Sulkea | 343 | ,, |
| Balasore salt, at Sulkea | 328 | ,, |
| Khurda and Chilka salt, at Sulkea | 341 | ,, |
| Madras salt, at Sulkea | 306 | ,, |

The Government reserves to itself the power of reimposing the full amount of duty authorized by law, if circumstances should arise to render such a measure

 necessary.

necessary. There will be no alteration, however, in the duty now fixed on all salt, whether imported on private account or sold by wholesale on account of Government, before the 1st April 1854; but the price of salt sold on account of Government, so far as it depends upon the cost of production as calculated upon an average of three years, will be subject to annual adjustment.

Collectors of the land revenue, and all officers of Government in fiscal charge of districts, are hereby directed to make known the substance of this notification as widely as possible.

The Board of Customs, Salt and Opium, will issue the necessary subsidiary instructions for the guidance of their subordinates in the Salt and Customs Departments.

By order of the Honourable the Deputy-governor of Bengal.

(signed) *J. P. Grant,*
Sec. to the Government of Bengal.

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No. 422.

Fort William; Home Department, Separate, Revenue, 21 June 1850.

NOTIFICATION.

THE President in Council is pleased to resolve, that sugar and rum be henceforth exempted from any demand on account of export duty throughout India.

By order, &c.

(signed) *F. J. Halliday,*
Secretary to the Government of India.

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No. 3.

From *W. Seton Karr*, Esq., Under-Secretary to the Government of Bengal, to the Officiating Secretary to the Board of Customs.

Sir,

**Customs.** WITH reference to your letter, No. 1,352, dated the 28th ultimo, with enclosure, I am directed by the Deputy-governor of Bengal to inform you, that on the recommendation of the Board, his Honor has been pleased to allow articles, the private property of parties residing in this country, which are sent to Europe for the purpose of being repaired, to pass inwards free of duty through the Custom-house on their re-importation.

I have, &c.

Fort William,
6 September 1850.

(signed) *W. Seton Karr,*
Under-Secretary to the Govt. of Bengal.

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No. 242 *a*.

NOTIFICATION.

Separate, Revenue Department, North Western Provinces, 17 June 1847.

UNDER authority granted by the Right honourable the Governor-general of India, the Honourable the Lieutenant-governor of the North Western Provinces notifies, that from July next the special duty leviable under section II. Act XIV. of 1843, upon salt passing from the North Western Provinces eastward of Allahabad, shall be reduced to 12 annas per maund.

By order of the Honourable the Lieutenant-governor of the North Western Provinces.

(signed) *J. Thornton,*
Sec. to Govt. N. W. P.

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RESOLUTION

RESOLUTION of the Government of Fort St. George, 3 February 1846.

IN concurrence with the opinion expressed by the Board of Revenue in the foregoing * letter, and agreeably to their suggestion, the Most noble the Governor in Council resolves, under the authority vested in him by section XVII., Act VI. of 1844, to permit the transhipment of Bombay salt in the ports of Malabar in vessels bound for Calcutta, free of all duty.

* No. 3, dated 19 January 1846.

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RESOLUTION of the Government of Fort St. George, 7 March 1848.

BOTH the above papers † refer to the question whether the order of the Supreme Government of the 31st December 1847, which exempted cotton wool from export duty throughout India, extended to exportation by land from the Company's territories, as well as sea.

† Extracts from Proceedings of Board of Revenue 17 and 28 Feb. 1848.

2. The Honourable the Governor in Council observes, that the order in question is universal in its terms, and he sees no reason for restricting its operation to maritime export.

3. Ordered, that copy of the foregoing order be transmitted to the Board of Revenue, for communication to the Collectors of South Arcot and Guntoor; and as the order which has caused these references may perhaps be liable to misconstruction or doubts in other quarters also, the Board will be pleased to circulate the present orders to all those Collectors whose districts adjoin a foreign territory.

Fort St. George, 6 March 1848.

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From *J. D. Bourdillon*, Esq., Officiating Secretary to Government, to *G. A Bushby*, Esq., Secretary to the Government of India.

Sir,

I AM directed to forward to you an extract of a letter from the Collector of Sea Customs at Madras, having reference to the construction and operation of Act VI. of 1848.

2. By sections VI. and VII., Act VI. of 1844, goods passing by land into or out of the limits of this Presidency, from or into the limits of any foreign European settlement in India, or any Native State placed on the same footing, pay the duty prescribed in the Schedules of that Act for goods imported or exported on a foreign bottom at any port in this Presidency. By section XVI. of the same Act, goods imported by sea into any port of this Presidency from any such settlement or Native State as above described, are liable to the same duty. Thus, in the case of such foreign territories in India, the ordinary differential duty is placed on the port of shipment instead of on the bottom, and the same principle is applied to the frontier duties.

3. It seems probable, that in passing Act VI. of 1848, it was the intention of the Indian Legislature to remove not only the existing unequal imposts on that part of the general trade of the British Indian territories which is borne on foreign bottom, but also those which press on the whole trade both by sea and land, between our own possessions and Native and European foreign territories in India, and which would bear with additional severity now that the internal trade of the British possessions, both by sea and land, is relieved from all fiscal burdens. The terms of the Act, however, do not touch this branch of the trade of our possessions. By the operations of section I., in connexion with section XVI., Act VI. of 1844, goods brought by sea from a foreign port in India, are still liable to the double rates of duty, that rate being payable on goods coming from such ports even when carried on British bottom. The case is the same with goods passing over Land Custom frontier chowkies, which still remain liable to the double duty imposed by sections VI. and VII., Act VI. of 1844.

4. Conjecturing that it may have been the intention of the Right honourable the Governor-general in Council to extend the benefit of the present enactment to all the foreign trade of the British Indian possessions, whether by sea or land, and that it is only from inadvertence that its terms have a less extensive operation, the Honourable the Governor in Council has resolved to transmit the fore-

going remarks on the actual effect of the new law in this particular, with a view to being favoured with his Lordship's sentiments on the subject, if necessary to the passing of a supplementary enactment.

(signed) *J. D. Bourdillon*,
Offg. Sec. to Govt.

Fort St. George,
30 March 1848.

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From *G. A. Bushby*, Esq., Secretary to the Government of India, to *J. D. Bourdillon*, Esq., Officiating Secretary to the Government of Fort St. George.

Sir,

I AM directed to acknowledge the receipt of your letter, No. 341, dated the 30th ultimo, and its enclosure, requesting the sentiments of the Government of India, and, if necessary, recommending a supplementary enactment for the purpose of laying down the construction of Act VI. of 1848, in reference to the provisions of sections VI., VII. and XVI. of Act VI. of 1844.

2. In reply, I am directed to observe, that the Honourable the Governor in Council, and the Collector of Sea Customs at Madras, have correctly interpreted the intention of the Legislature in passing Act VI. of 1848, and that the Customs officers under the Presidency of Fort St. George, will act rightly if they are guided by the spirit of that enactment in dealing with goods passing by land into or out of Foreign European settlements and Native States declared to be foreign territory, as well as with goods imported by sea into any port of the Madras Presidency from such settlements and states.

3. The Governor-general in Council does not consider any further legislation in this matter necessary; should, however, any practical inconvenience be experienced, his Lordship in Council will be prepared to resume the consideration of the subject.

(signed) *G. A. Bushby*,
Sec. to the Govt. of India.

Fort William,
15 April 1848.

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NOTIFICATION.

Fort St. George, 14 November 1848.

WITH reference to the Resolution of the Government of India published in the Fort St. George Gazette of the 3d and 7th instant, the Right honourable the Governor in Council is pleased to notify for general information, that duty chargeable on tobacco imported by sea into the ports of the Madras Presidency, excepting the ports of the districts of Malabar and Canara, where the import of the article is prohibited by Section III., Regulation VII. of 1811, will be henceforward 5 per cent. ad valorem.

By order of the Right honourable the Governor in Council.

(signed) *H. C. Montgomery*,
Secretary to Govt.

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No. 782.

From *F. J. Halliday*, Esq., Secretary to the Government of India, to Sir *H. C. Montgomery*, Bart., Secretary to the Government of Fort St. George.

Sir,

I AM directed to acknowledge the receipt of your letter, No. 977, dated the 11th ultimo, with its enclosures, and to state, that in compliance with the recommendation of the Government of Fort St. George, the President in Council is pleased to authorise a reduction in the duty levied under the provisions of Act VI.

of

of 1844, on salt imported into the district of Canara from Goa by land, from 3 rupees to 12 annas per maund of 3,200 tolas weight.

(signed) *F. J. Halliday*,
Secy to the Govt of India.

Fort William,
16 November 1849.

*Resolved*, That the foregoing letter and previous correspondence, as noted in the margin, be forwarded to the Board of Revenue, with reference to their secretary's letter, dated 11th June 1849, No. 241, in view to the necessary communication being made to the Collector of Canara.

To Government of Bombay, 26 June 1849, No. 603.
From Government of Bombay, 25 Sept. 1849, No. 5,824.

(signed) *W. H. Bayley*,
Secy to Govt.

Fort St. George,
10 December 1849.

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NOTIFICATION.

THE government of India having been pleased to permit the free export of salt shipped from the port of Bombay for ports, whether British or foreign, not on the Continent of India or in the Island of Ceylon, notice is hereby given, that parties desirous of availing themselves of this privilege, will be required to enter into a security bond for the amount of duty leviable on the salt so exported under Government notification of the 14th September 1844, which bond will be cancelled on the production, within six months from its date, of a certificate of the salt having been imported at the port of its destination, signed by the Collector of Customs or other similar officer at that port, and on failure of this the bond will be enforced.

(signed) *H. H. Glass*,
Collector of Customs.

Bombay, Collector of Customs Office,
2 December 1846.

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No. 209, of 1847.

From Mr. Chief Secretary *Pringle*, to the Acting Revenue Commissioner, N.D.

Sir,

I AM directed by the Honourable the Governor in Council to acknowledge the receipt of your letter, No. 1,722, dated the 24th October last, with accompaniment from the Collector of Continental Customs and Excise, and to authorize the exemption from duty of plants of the betel and cocoa-nut, and other trees intended for plantation.

2. The Governor in Council does not consider that it would be expedient to extend the exemption to green grass.

I have, &c.
(signed) *R. K. Pringle*,
Secretary to Government.

Bombay Castle, 18 January 1847.

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From *G. A. Bushby*, Esq., Secretary to the Government of India, to *R. K. Pringle*, Esq., Chief Secretary to the Government of Bombay.

Sir,

I AM directed to acknowledge the receipt of your letter, No. 1,271, dated the 1st instant, and its enclosures, on the subject of the heavy Customs duty to which the importation of Cashmere shawls *viâ* Sinde is liable.

2. The President in Council, in compliance with the recommendation of the Honourable the Governor in Council, is pleased to authorize the extension to the ports in Sinde of the concession made to the ports of the Madras Presidency, under the notification published by the Government of Bombay on the 3d December 1845, and sanctions the free admission into Bombay of goods coming by

the way of Sinde, and exported from Kurrachee or other seaports in that province.

I have, &c.
(signed) *G. A. Bushby*,
Sec. to the Govt. of India.

Fort William, 15 May 1847.

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No. 753, of 1848.

From Mr. Secretary *Goldsmid*, to the Collector of Land Revenue, Bombay.

Sir,

I HAVE been directed to forward you a copy of a letter, dated 23d December 1847, from Mr. Bates, and to inform you, with reference to the letter I addressed you on the 20th December last, No. 5,311, that his Honor in Council has determined that salt shall be exempted from duty when required for the purposes of art or manufacture, with the proviso that you can make arrangements for preventing the possibility of its being used for any other purpose.

2. As regards Mr. Bates' case in particular, I have informed Government that I have learnt from that gentleman that he is prepared to mix some substance with the salt, which will render it unfit for food, before it is removed from the charge of the officers of your department.

I have, &c.
(signed) *H. E. Goldsmid*,
Secretary to Government.

Bombay Castle, 4 February 1848.

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PROCLAMATION by his Excellency Sir *C. J. Napier*, G.C.B., Governor of Sinde; dated Kurrachee, 1 September 1845.

UNDER instructions from the Supreme Government of India, his Excellency is pleased to notify that the cultivation of the poppy and manufacture of opium is prohibited in British Sinde; and individuals will cease to grow it accordingly

In future the importation of opium into Sinde will be as follows: persons wishing to import Malwa opium will provide themselves with a pass from the opium agent in Malwa, and any opium detected without such pass will be confiscated; and persons by whose information opium shall be so seized, shall be rewarded at the discretion of his Excellency with a sum not exceeding half the value of the opium seized.

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(True copies.)

(signed) *T. L. Peacock*,
Examiner of India Correspondence.

East India House, 5 August 1851.

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COPIES of REPORTS, numbered respectively V., VI. and XI., of the Commissioners appointed by Lord *William Bentinck*, to inquire into the System of INDIAN CUSTOMS and POST-OFFICE DUTIES; together with a Selection of Documents from the respective Appendices to the same, in Cases where the material Points thereof do not appear in the said Reports.

# REPORT V.

## SUMMARY of CONTENTS of REPORT No. V.

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„ 4. Contrasts financial results of existing Sea Customs, Madras Presidency, with those expected from application of revised Bengal Tariff.
„ 5. Ditto - - - Ditto - - - Bombay Presidency.
„ 6. States total loss in the Sea Customs only, from adopting revised system at both Presidencies.
„ 7. Recommends abolition of Inland Customs, Madras, and contrasts financial results of existing general Customs system with proposed Customs system.
„ 9. Ditto - - - Ditto - - - Bombay, and reports the entire loss from such measures at both Presidencies.
„ 11. Frontier Duties, European Settlements, Madras.
„ 12. Frontier Duties, European Settlements, Bombay.
„ 14. Frontiers of Foreign Native States inland, how proposed to be treated.
„ 15. Ditto - - - Ditto - - - on the Sea Coast.
„ 16. Expediency of abolishing Inland Customs in the Mysore Province.
„ 17. General observations on abolition of Inland Duties; highly inexpedient that any difference of Customs system should exist in the different Presidencies.
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Customs and Post-Office Committee, Calcutta, 29 June 1836.

(signed) *T. J. Taylor*, Secretary.

## REPORT V.

From the Committee for Revising the Customs Laws and Post-office Regulations in India, to *H. T. Prinsep*, Esq., Secretary to Government of India, General Department.

Sir,

1. We had the honour of replying on the 19th ultimo to para. 5, of Mr. Secretary Prinsep's letter of 27 April, desiring that we would suggest any improvement which it occurred to us might be made in the draft of the Act and the Tariff published in the Calcutta Gazette of that date. With reference to the requisition contained in the preceding paragraphs of the same letter, we have now the honour to report on the applicability of the amended Act and Tariff, as published in the Calcutta Gazette of the 1st instant, to the sea trade of the Presidencies of Madras and Bombay, and on the practicability of abolishing the inland and town duties levied under those Presidencies.

2. We are not aware of any local circumstances rendering the rates of duty of the Bengal Tariff, and the general provisions of the Act, inapplicable to the sea trade of the Presidencies of Madras and Bombay. The objections we expressed in our letter of the 19th ultimo to certain parts of that Act, as regards its operation in Bengal, objections equally applicable to it as regards its operation in the other Presidencies, not having effected any change in the measures of Government, we will not repeat them, but considering them to be overruled by the Tariff having passed into a law, we cannot, with reference to the first para. of our general instructions from Government of the 1st of April 1835, and the last para. of the Minute of the late Governor-general, Lord William Bentinck of the 15th July 1834, to which we were referred by those instructions as the origin of the present Committee, do otherwise than recommend its immediate adoption in the Presidencies of Bombay and Madras. Laws, regulating the rates of duty on sea-borne trade, affect so many and such distant interests, and the parties concerned are often so ill informed regarding them, that uniformity of rule appears to be particularly desirable. The inconvenience arising from want of uniformity in the rates of duty at the different ports of British India, have for years past been a constant subject of complaint. Besides the annoyance it occasions to the public, it creates much labour which might otherwise be spared to the Custom-house officers. No fiscal advantage that is likely to be obtained, will, in our opinion, at all compensate for the great inconveniences that arise from regulating the commerce of one undivided empire by a variety of local and partial laws. We need not advert to the injustice of persevering in a system of unequal taxation. The evils of such a system are too well known, and have been too extensively felt in this country to be insisted on here, and the claims which the several Presidencies possess to be viewed as one united empire, of which all the component parts are entitled to the same paternal care, and the same impartial and equal consideration from Government, are so fully admitted in the minute of the late Governor-general to which we have already made reference, as to render further advertence to that part of the question at present unnecessary.

3. The annexed figured Statement No. I. exhibits, as correctly as we are able to estimate them, the financial results of the change, supposing the value of the trade to remain unaltered.

Sea Customs, Madras.

4. The gross Sea Custom revenue of the Madras Presidency, as appears by the Statement No. II., amounted on an average of six years ending 1834-35, to 10,69,172 rupees, to which must be added about 25,000 rupees, the proportion of stamps on rowannahs, making a total of 10,94,172 rupees. The new rates of duty applied to the sea trade for five years ending 1834-35 would have yielded, as appears by Appendix (B.) (paras. 2 to 11) a gross revenue of *9,27,474 rupees; from these items must be severally deducted drawbacks. Under the existing system, such payments would have been 94,606 rupees; under the proposed system, they would be (*vide* Statement (D.) in Appendix (B.) 50,403 rupees. Under either system the charges of collection would remain the same, 1,65,615 rupees. The present net Sea Customs revenue may therefore be stated at 8,33,951 rupees; under the revised system it will be 7,11,456 rupees, thus showing a difference of 1,22,495 rupees in favour of the existing system of Sea Customs in the Madras Presidency.

| | |
|---|---|
| *General Imports | 3,81,176 |
| General Exports | 4,23,095 |
| Carrying Export Trade | 1,23,203 |
| | 9,27,474 |

5. The

Sea Customs, Bombay.

5. The gross Sea Customs revenue of the Bombay Presidency, as appears by Statement No. III., amounted on an average of the same period to 23,43,603 rupees. The new rate of duty applied to the trade for three years would have yielded, as shown by Appendix (D.) paras. 2 to 8, a gross revenue of 18,72,509 rupees; from these items must be severally deducted drawbacks. Under the existing system, such payments would have been 1,40,627 rupees; under the proposed system, they would be (*vide* Statement (D.) Appendix (D.) 5,90,774 rupees; under either system the charges of collection would remain the same, 2,73,060 rupees. The present net Sea Customs revenue may therefore be stated at 19,29,816 rupees; under the revised system it will be 10,08,775 rupees, thus showing a difference of 9,21,041 in favour of existing system in the Bombay Presidency.

6. The total loss, therefore, by the new Bengal Tariff in the Sea Customs of the other Presidencies will be as follows:

| | | |
|---|---|---|
| At Madras - - - - - - | *Rs.* | 1,22,495 |
| At Bombay - - - - - - | | 9,21,041 |
| thus making a total loss of - - - - - | *Rs.* | 10,43,536 |

in the Sea Customs department, over and above the entire loss of the Land Customs and town duties.

Abolition of Inland Customs, Madras.

7. With regard to the practicability of abolishing the inland and town duties of Madras and Bombay, as it altogether depends on the amount of revenue which Government are able to forego, a point on which we are not informed, we do not consider ourselves competent to offer an opinion. Our sentiments regarding these duties were fully explained in our Report of 27th January last. We have nothing further to add to what we then advanced. Both Presidencies, that of Madras in particular, stand in immeasurably greater need of relief than did the Presidency of Bengal at the time of the abolition there of the inland and town duties. The inland duties of the Madras Presidency bearing directly on the whole body of the people in the form of an oppressive excise on the common necessaries of life, are incalculably more onerous than were those of Bengal and Agra; and, owing to the nature of the system under which they are collected, a system which the local circumstances of the country render necessary in order to make them productive at all, not only are all legal dues brought into the Treasury, but, as we intimated in our former Report, nearly an equal amount of illegal exactions. The effects produced by the numerous changes that have been made in the Customs laws of the Madras Presidency during the last 30 years, all of which were introduced with the object of removing notorious abuses, quite as much as of raising revenue, and all of which, in that respect at least, signally failed, and the strongly expressed opinions of the local officers lead to one conclusion, that no real reform of the present system is practicable, unless connected with so great a loss of revenue as will render the duties no longer worth retaining. Despairing, therefore, of amending them, we do not hesitate to recommend their total abolition. We need not remark that the sea trade of Madras is much less able than is that of Bengal to yield an equivalent, and that the loss of revenue incident to their abolition will necessarily be considerable.

8. It appears, from Statement No. IV., that the average gross revenue, including stamps on rowannahs, derived from the Sea and Land Customs of the Madras Presidencies, for the six years ending 1834-35, amounts to 53,35,754 rupees, and the net revenue to 43,98,696 rupees. The Bengal rates of duty applied to the sea and foreign European frontier trade of the same period, show a gross revenue of 10,21,474 rupees, and a net revenue of 7,91,456 rupees. The abolition, therefore, of the inland and town duties, and the application of the Bengal rates to the sea trade and trade crossing the foreign European frontiers, would, all other circumstances remaining the same, occasion a loss of net revenue to the amount of 36,07,242 rupees. The deduction which should be made from this loss, on the score of the improvement in the land revenue, the duties on foreign trade, the salt monopoly, the abkaree and other sources of revenue, certain to attend the removal of so great a burden, we have not the means of estimating, but there can be no doubt of its being very considerable.

Abolition of Inland Customs, Bombay.

9. In Bombay there is less objection, as regards revenue, to the abolition of the inland duties than in Madras. They are comparatively much less productive;

and there appears reason for anticipating that a substitute for them, almost amounting to an equivalent, will be speedily found in the rapid improvement of the land* and other taxes, and the changes contemplated in the salt duties. It appears from the Statement No. III., that the average gross revenue derived from the Sea and Land Customs of the Bombay Presidency for the same period, amounts to 43,70,269 rupees, and the net revenue to 33,61,997 rupees. The Bengal rates of duty, applied to the sea and foreign European frontier trade of the same period, show a gross revenue of 19,12,509 rupees, and a net revenue of 10,41,675 rupees. The abolition, therefore, of the inland and town duties, and the application of the Bengal rates to the sea trade, and trade crossing the foreign European frontiers, would, all other circumstances remaining the same, occasion a loss of net revenue to the amount of 23,20,322 rupees, showing an aggregate apparent loss on the two Presidencies of 59,27,564 rupees.

Madras 36,07,242
Bombay 23,20,322
59,27,564

10. For the details of the financial results of adopting the new Bengal sea tariff in Madras and Bombay, in supercession of the existing systems of Sea and Land Customs in those Presidencies respectively, we beg leave to refer to the Notes and Statements, marked as Appendixes (B.), (C.) and (D.), which have been prepared by our secretary.

**Frontier Duties, European Settlements, Madras.**

11. Under the Presidency of Madras, goods passing the frontiers of foreign European settlements are charged, as in Bengal, with the highest rates of duty levied on foreign trade by sea. The principle may be maintained, and the rates of frontier duty assimilated to the new ones on foreign trade by sea. The collections on the foreign European frontiers in that Presidency, as shown in Statement V., amount on an average of five years to 1,03,217 rupees, the charge of collection to 17,460 rupees, leaving a net revenue of 85,757 rupees. As we have no separate return of the trade crossing the frontiers, but only of the duties collected there, we have been unable to estimate precisely the effect on the revenue of applying to it the new rates, and have therefore assumed it at its present amount. The necessity for strengthening the frontier lines, should the chokies in the interior be abolished, the circumstance of the new rates being generally lower than the existing ones, and the improbability of any revenue being derived from these articles, which, at present free, would by the new tariff become liable to duty, would lead to the inference that the change will not be favourable to the frontier revenue. On the other hand, that portion of the Customs duty which is now collected in the interior on goods subsequently passing the foreign European frontiers, and for which credit is given at the frontier chokies, would swell the collections at those chokies on the abolition of the inland ones. It is also to be presumed, that the relief afforded to the country at large by the abolition of the inland duties, would soon show itself in an increased commerce across the foreign European frontiers.

**Frontier Duties, European Settlements, Bombay.**

12. The rate of duty collected on the frontiers of foreign European settlements within the territories of Bombay, is the same as the rate imposed in the trade of the nearest British port. As under the Bombay Customs Laws, no distinction of bottom is made at the ports on the mainland, the rate of duty on the frontiers of foreign European settlements is much lower than in the other Presidencies.

13. Our information on this point is imperfect, from the want of returns of the collections on the frontier around Damaun. The collections on the Goa frontier (*vide* Statement V.), amounted in 1834–35 to 32,755 rupees; and estimating those from Damaun at, say 7,000 rupees, we may take the present amount of frontier duty in those quarters at 40,000 rupees; but as the largest portion of these collections arises from salt, and the new duty of $3\frac{1}{4}$ rupees per maund, the present tax being only six annas a maund, may probably operate as a prohibition to the import of that article, the future collections may be expected to fall considerably short of the present revenue. This, however, will be compensated by increased production of salt in our own districts.

**Frontiers of Foreign Native States, inland.**

14. Our attention has been particularly directed to the expediency of levying Customs duties on the frontiers of foreign Native states. The wide extent of these frontiers, their open character affording no facilities for the establishment of

* *Vide* Extract of letter from Revenue Commissioner, Bombay, and others appended, *vide* Appendix (A.)

of a preventive line, and above all the insignificant amount of the trade crossing them, *i. e.* insignificant with reference to the cost of collecting a frontier duty, render it impossible to maintain effective lines on the frontiers of Mysore and the Nizam's territories, which would anything like pay their expenses. We have referred to this subject before in our Report on the Inland Customs of the Madras territories, when we quoted the opinion of the late Sir Thomas Munro, an opinion to which his local and practical knowledge gives the greater weight.

**Frontiers of Foreign Native States on the Sea Coast.**

15. We would therefore recommend that goods should be allowed to pass free across the frontier of every inland native state. But the Province of Travancore, and the territories of the Hubshee and Angria in the Northern Concan, being situated on the sea-coast, it would, we conceive, be expedient to put them on the same footing as that of foreign European settlements, in order to prevent their interfering with the trade of the neighbouring British ports by establishing lower duties. The frontiers of the Travancore country afford great natural advantages for the establishment of a preventive line; and the charge of inclosing the other two settlements with chokies is trifling with reference to the object in view. With regard to the ports of Bhownugur and Cambay, we beg to refer to the measures recommended in our secretary's letter to your address, under date 4th July 1835, to which we have as yet received no reply.

**Abolition of Transit duties, Mysore.**

16. We take this opportunity of remarking, that the abolition of the inland duties of the Madras territories will, as regards the commerce of the country, remain an imperfect measure, unless the inland duties are also abolished in Mysore. The central situation of the country, and its wide extent north and south, with the great lines of communication between the British possessions on the eastern and western coast passing through it, renders it particularly desirable, as regards the commerce of the Madras territories, that the duties there should be abolished. The commerce of the Madras territories, either with Mysore or passing through, would derive little benefit from the abolition of the Madras inland duties, if the tax abolished in the one country were added to that levied in the other; as it is, the universal practice of Customs officers and renters to regulate their exactions by the ability of the trade to bear them, there is every reason to apprehend that as regards the trade carried on with or through Mysore, the only effect under existing circumstances of abolishing the inland duties in the British territories would be, that the burden taken off in one country would be laid on in the other; while renters and Customs officers continue what they are, such a result could not be prevented by the British authorities in Mysore.

**General Observations.**

17. We think it right to draw particular attention to the fact, that in framing our estimate of the financial result which may be expected from the application to Bombay and Madras of the new Customs system now in operation in the Bengal presidency, we have been careful to exclude every doubtful source of revenue, and in all cases in which our data have been incomplete and our information has been wanting in minuteness, we have made our calculations incline to the side least favourable to the state. We have taken no account of the probability of an increased trade consequent on improved facilities for commercial intercourse, a material reduction in the export duties, and relief from a most burthensome internal taxation; yet it is impossible to doubt, that the liberation of the entire country from a system of inland administration, the inevitable effect of which, even in its mildest form, is to restrain the freedom of interchange, and to depress the productive powers of industry and commerce, must give an impulse to improvement, and must better the condition of the people in a manner which can scarcely fail to act beneficially on the public finances in a variety of ways, such as enlargement of external trade, increased facility in the realization of the land revenue, and augmentation of the abkaree collections. It would indeed be difficult to overestimate the advantage likely to result within the Madras territory from the subversion of a system so opposed to the comfort and prosperity of the people as that which now prevails there; our object however has been not to speculate on prospective gains, nor to keep out of view the immediate financial effect of the change under consideration, but rather to place before Government such an exposition as will show the extreme loss which could arise under the most unfavourable view of the subject. We have no apprehension that Government will overlook the certain though not instantaneous benefit which the revenue must experience from the establishment of a system which gives free scope for the application of capital and enterprise to commercial undertakings, in place of one abounding

in restrictions and discouragements, and which relieves the people from a species of taxation which admits of no effectual security against the grossest extortion and oppression, and of which the payment of the authorized dues is the least burthensome part, imposing in lieu a moderate and well-regulated impost on external trade. Government are of course far better qualified than we can be to estimate the amount of benefit which may be anticipated from such a change of system, and they alone are able to determine what sacrifice can be made, or what portion of the revenue can be risked, for the attainment of that benefit.

18. We think it our duty, however, respectfully and earnestly to advise, that no separate scale of duties be framed for application to Madras or Bombay, in order to reduce the probable loss of revenue at those Presidencies, from a change of system, to the proportion which has been estimated as the loss in Bengal. The advantage of establishing uniformity in the Customs laws and rates throughout the empire, and the expediency of identifying the interests of the different parts of the country by breaking down the barriers which divide the Presidencies into distinct states, and by effacing all distinctions from the commercial administration, appear to us to be of such incalculable importance, that we think almost all other considerations should, in the determination of this question, give place to them; although therefore we should be very reluctant to suggest any general increase in the scale of duties which has been adopted in regard to the Bengal Presidency, considering that the interests both of trade, and ultimately of the revenue, will thrive best under low duties, still if Government should resolve that the immediate sacrifice which the statements now submitted exhibit, as the anticipated result of applying the existing Bengal scale to Madras and Bombay, cannot in the present condition of the Indian finances be risked, we should consider some advance in the rate of duties established by Act XIV. of 1836, such as might be estimated on the application of the revised scale to all India, to produce an aggregate Customs revenue adequate to the expectations of Government, a lesser evil by far than the application of different principles and rates to the several Presidencies, and consequently the maintenance of distinctions not only most inconvenient, but, as we believe, highly injurious to the commercial prosperity of the empire.

19. The provisions of the Act which relate to the administration of the new system are, we think, generally applicable to the Presidencies of Madras and Bombay; some trifling additions or modifications may perhaps be necessary with reference to local circumstances, but they will not affect the principles adopted.

20. We conclude that in the event of Government deeming it expedient to apply the new Act to the Presidencies of Madras and Bombay, the regulations now in force at those Presidencies for the protection of the opium revenue will be maintained. The second note at the foot of Schedule (A.) appears to provide for the continuance of the special rules respecting opium now in force, and in expressing our opinion that the new Customs Act is applicable to Madras and Bombay, we do not of course contemplate the classification of opium in Schedule (B.) amongst the articles subjected to an export duty of 3 or 6 per cent. only.

We have, &c.
(signed) *J. H. Crawford.*
*W. R. Young.*
*H. Borradaile.*
*H. Babington.*
*C. E. Trevelyan.*

Customs and Post-Office Committee,
Calcutta, 29 June 1836.

(signed) *G. J. Siddons,*
Honorary Member.

(signed) *T. J. Taylor,*
Secretary.

## STATEMENT I. referred to in Para. 3, Report V.

CONTRASTED STATEMENT, showing the present SEA and LAND CUSTOMS, *Madras* and *Bombay* Presidencies, and the Revenue expected to be realized by the Application of the Revised Bengal Tariff.

### MADRAS PRESIDENCY.

| PROPOSED SYSTEM. | Customs Receipts. | Total Customs Receipts. | PRESENT SYSTEM. | Customs Receipts. | Total Customs Receipts. |
|---|---|---|---|---|---|
| Imports, General, British Bottoms | 2,81,675 | | | | |
| Imports, General, Foreign Bottoms | 99,501 | | | | |
| Total Imports | | 3,81,176 | | | |
| Exports, General, British Bottoms | 3,85,548 | | | | |
| Exports, General, Foreign Bottoms | 37,547 | | | | |
| | | 4,23,095 | Gross Sea Customs | 10,69,172 | |
| Exports within limits of the Presidency | 1,23,203 | 1,23,203 | Stamps on Sea Rowannahs | 25,000 | |
| Total Sea Customs | | 9,27,474 | Total Sea Customs | | 10,94,172 |
| Deduct Drawback | | 50,403 | Deduct Drawback | | 94,606 |
| Net Collections, Sea Customs | | 8,77,071 | Net Collections, Sea Customs | | 9,99,566 |
| Frontier Duty | 1,00,000 | | Inland Customs, Town Duty and Frontier Duty | 40,74,917 | |
| | | | Stamps on Land Rowannahs | 1,66,657 | |
| | | | Total Land Customs | | 42,41,574 |
| Deduct Drawback | nil. | | Deduct Drawback | | 3,72,918 |
| Net Collections, Frontier Duty | | 1,00,000 | Net Collections, Land Customs | | 38,68,656 |
| Total Net Collections, Sea and Frontier | | 9,77,071 | Total Net Collections, Sea and Land | | 48,68,222 |
| Deduct Charges, Sea Customs | 1,65,615 | | Deduct Charges, Sea Customs | 1,65,615 | |
| Deduct Charges, Frontier Chokees | 20,000 | | Deduct Charges, Land Customs | 2,84,744 | |
| | | | Deduct Charges, Stamps | 19,166 | |
| Total Charges | | 1,85,615 | Total Charges | | 4,69,525 |
| Net Revenue Customs, proposed system, Madras | | 7,91,456 | Net Revenue Customs, present system, Madras | | 43,98,697 |
| Loss by adopting proposed system | | 36,07,241 | | | |

### BOMBAY PRESIDENCY.

| PROPOSED SYSTEM. | Customs Receipts. | Total Customs Receipts. | PRESENT SYSTEM. | Customs Receipts. | Total Customs Receipts. |
|---|---|---|---|---|---|
| Bombay Island Imports, British Bottoms | 9,55,185 | | | | |
| Bombay Island Imports, Foreign Bottoms | 2,07,834 | | | | |
| | | 11,63,019 | | | |
| Bombay Island Exports, Foreign Bottoms | | 14,200 | | | |
| Bombay Outports, Imports, Foreign Bottoms | 45,290 | | Gross Sea Customs | 20,49,630 | |
| Bombay Outports, Exports, British Bottoms | 6,50,000 | 6,95,290 | Liquor and Tobacco Fees | 2,93,973 | |
| Total Sea Customs | | 18,72,509 | Total Sea Customs | | 23,43,603 |
| Deduct Drawback | | 5,90,774 | Deduct Drawback | | 1,40,627 |
| Net Collections, Sea Customs | | 12,81,735 | Net Collections, Sea Customs | | 22,02,976 |
| Frontier Duty | 40,000 | | Inland Customs, Town Duty and Frontier Duty | 20,26,666 | |
| | | | Total Land Customs | | 20,26,666 |
| Deduct Drawback | nil. | | Deduct Drawback | | 3,49,030 |
| Net Collections, Frontier Duty | | 40,000 | Net Collections, Land Customs | | 16,77,636 |
| Total Net Collections, Sea and Frontier | | 13,21,735 | Total Net Collections, Sea and Land | | 38,80,612 |
| Deduct Charges, Sea Customs | 2,73,060 | | Deduct Charges, Sea Customs | 2,73,060 | |
| Deduct Charges, Frontier Chokees | 7,000 | | Deduct Charges, Land Customs | 2,45,555 | |
| Total Charges | | 2,80,060 | Total Charges | | 5,18,615 |
| Net Revenue Customs, proposed system, Bombay | | 10,41,675 | Net Revenue Customs, present system, Bombay | | 33,61,997 |
| Loss by adopting proposed system | | 23,20,322 | | | |

Customs and Post-Office Committee,
Calcutta, 29 June 1836.

(signed) *T. J. Taylor*, Secretary.

## STATEMENT II., referred to in Para. 4, Report V.

STATEMENT, showing Receipts of SEA CUSTOMS, *Madras* Presidency, for each separate District, in detail, and also Charges, General Sea Custom Department.

### RECEIPTS.

| YEARS | SUBORDINATE PORTS. | | | | | | | | | | | | | MADRAS. | TOTAL Sea Customs, Madras Presidency. |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Ganjam. | Vizagapatam. | Rajahmundry. | Masulipatam. | Guntoor. | Nellore. | South Arcot. | Tanjore. | Madura. | Tinnevelly. | Malabar. | Canara. | TOTAL Subordinate. | | |
| 1829-30 - - | 23,582 | 19,513 | 15,615 | 21,164 | 5,926 | 15,357 | 43,114 | 83,487 | 9,273 | 28,673 | 2,30,669 | 1,65,641 | 6,62,054 | 4,06,925 | 10,68,979 |
| 1830-31 - - | 18,463 | 17,762 | 13,394 | 11,681 | 2,450 | 12,905 | 20,575 | 89,103 | 22,175 | 41,300 | 2,59,028 | 1,25,509 | 6,34,856 | 3,60,686 | 9,95,632 |
| 1831-32 - - | 11,754 | 25,928 | 12,452 | 21,399 | 2,019 | 17,716 | 32,487 | 86,080 | 16,849 | 37,127 | 2,27,184 | 1,52,447 | 6,43,434 | 4,96,430 | 11,39,874 |
| 1832-33 - - | 1,850 | 17,181 | 12,879 | 9,531 | 3,274 | 12,373 | 31,595 | 72,852 | 7,700 | 30,881 | 1,79,335 | 1,52,024 | 5,31,474 | 4,67,399 | 9,98,873 |
| 1833 34 - - | 13,746 | 9,171 | 11,383 | 10,089 | 2,017 | 6.042 | 24,795 | 61,210 | 8,949 | 22,276 | 1,82,402 | 1,71,072 | 5,23,153 | 4,61,291 | 9,84,444 |
| 1834-35 - - | 24,481 | 21,505 | 13,103 | 8,218 | 3,343 | 7,642 | 24,526 | 70,238 | 25,268 | 39,358 | 2,27,804 | 2,38,633 | 7,04,217 | 5,23,106 | 12,27,223 |
| TOTAL - - | 93,876 | 1,11,060 | 78,826 | 82,082 | 19,029 | 72,035 | 1,77,092 | 4,62,970 | 90,214 | 1,99,615 | 13,06,422 | 10,05,326 | 36,99,188 | 27,15,837 | 64,15,025 |
| AVERAGE - | 15,646 | 18,510 | 13,137 | 13,680 | 3,171 | 12,006 | 29,515 | 77,161 | 15,035 | 33,269 | 2,17,737 | 1,67,554 | 6,16,531 | 4,52,639 | 10,69,171 |

### CHARGES.

| YEARS | Commission and Fees. | Establishment. | Saudawared, &c. | TOTAL Charges. | Drawback. | TOTAL Disbursement. | TOTAL Receipts. | Net Revenue. |
|---|---|---|---|---|---|---|---|---|
| 1829-30 - - - - | 75,845 | 95,034 | 9,056 | 1,79,933 | 89,337 | 2,69,271 | 10,68,979 | 7,99,708 |
| 1830-31 - - - - | 61,005 | 95,195 | 7,534 | 1,63,734 | 73,816 | 2,37,550 | 9,95,632 | 7,58,082 |
| 1831-32 - - - - | 63,505 | 95,475 | 8,065 | 1,67,045 | 2,19,981 | 3,87,026 | 11,39,874 | 7,52,848 |
| 1832-33 - - - - | 56,522 | 96,248 | 6,785 | 1,59,555 | 2,95,913 | 4,55,468 | 9,98,873 | 5,43,405 |
| 1833-34 - - - - | 58,171 | 94,723 | 10,648 | 1,63,542 | 2,29,738 | 3,93,281 | 9,84,444 | 5,91,164 |
| 1834-35 - - - - | 62,157 | 92,025 | 5,696 | 1,59,881 | 2,43,406 | 4,03,287 | 12,27,223 | 8,23,939 |
| TOTAL - - - | 3,77,205 | 5,68,700 | 47,787 | 9,93,692 | 11,52,191 | 21,45,872 | 64,15,025 | 42,69,146 |
| AVERAGE - - | 62,868 | 94,783 | 7,964 | 1,65,615 | * 1,92,031 | 3,57,646 | 10,69,171 | 7,11,524 |

* This is the sum returned as sea drawback by the Accountant General; but by the returns for five years received from the several Collectors of Customs, the proportion of drawback actually debitable to the Sea Customs only. amounts to 94,606 rupees, which sum has accordingly been adopted by the Committee in their statements of receipts from the existing system, as contrasted with what may be anticipated from the proposed system. The difference, or 97,425 rupees, is properly drawback of Land Customs, and should be therefore debited to that head.

(signed) *T. J. Taylor*, Secretary.

## Statement III., referred to in Para. 5, Report V.

Statement showing the Gross and Net Collections in the Land and Sea Departments, *Bombay*; Drawbacks Paid, Collections after deducting Drawback, Charges of Collection, and Net Collections in each Department, from 1829–30 to 1834–35, and the Total Net Collections by Land and Sea conjointly, for the same period; remodelled from the Returns received from the Accountant-general, Bombay, under date 11th March 1836.

| Years | Land. | | | | | Sea. | | | | | Total Net Collections, Land and Sea. |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Total Collections, including Collectors' Fees and Extra Revenue. | Drawbacks Paid. | Collections, after deducting Drawbacks. | Charges of Collections. | Net Collections. | Total Collections, including Collectors' Fees and Extra Revenue. | Drawbacks Paid. | Collections, after deducting Drawbacks. | Charges of Collections. | Net Collections. | |
| 1829–30 | 19,98,674 | 3,52,507 | 16,46,167 | 2,30,834 | 14,15,333 | 25,57,863 | 85,610 | 24,72,253 | 2,48,885 | 22,23,368 | 36,38,701 |
| 1830–31 | 20,37,139 | 2,82,338 | 17,54,801 | 2,46,688 | 15,08,113 | 24,66,061 | 73,931 | 23,92,130 | 2,42,738 | 21,49,392 | 36,57,505 |
| 1831–32 | 23,57,553 | 3,57,492 | 20,00,061 | 2,38,595 | 17,61,466 | 21,69,762 | 1,13,551 | 20,56,211 | 2,55,815 | 18,00,396 | 35,61,862 |
| 1832–33 | 22,43,984 | 3,52,074 | 18,91,910 | 2,29,806 | 16,62,104 | 24,58,480 | 1,47,464 | 23,11,016 | 2,74,124 | 20,36,892 | 36,98,996 |
| 1833–34 | 19,58,379 | 4,19,505 | 15,38,874 | 2,26,380 | 13,12,494 | 22,73,937 | 1,65,683 | 21,08,254 | 3,06,458 | 18,01,796 | 31,14,290 |
| 1834–35 | 19,98,451 | 3,30,272 | 16,68,179 | 3,01,031 | 13,67,148 | 21,35,520 | 2,57,527 | 18,77,993 | 3,10,344 | 15,67,649 | 29,34,797 |
| Total | 1,25,94,180 | 20,94,188 | 1,04,99,992 | 14,73,334 | 90,26,658 | 1,40,61,623 | 8,43,766 | 1,32,17,857 | 16,38,364 | 1,15,79,493 | 2,06,06,151 |
| Average | 20,99,030 | 3,49,030 | 17,49,999 | 2,45,555 | 15,04,443 | 23,43,603 | 1,40,627 | 22,02,976 | 2,73,060 | 19,29,918 | *34,34,358 |

* *Note.*—From this total should be deducted the following six items:—

| | |
|---|---|
| Boat passes | 4,271 |
| Warehouse rent | 410 |
| Anchorage fee | 5,514 |
| Passage-boats | 53,899 |
| Bhore Ghaut | 6,019 |
| Duty on ferries | 2,251 |
| Total | 72,364 |

Making an aggregate amount of 72,364 rupees. As these sums, although brought to account by the Accountant general as Customs, are not properly creditable to that head, and would be equally available as revenue under any Customs system; the Net Customs Collections should therefore be stated at 33,61,994 rupees.

Customs and Post-Office Committee, Calcutta,
29 June 1836.

(signed) *T. J. Taylor*, Secretary.

## STATEMENT IV., referred to in Para. 8, Report V.

STATEMENT showing the Gross and Net Collections in the LAND and SEA CUSTOMS DEPARTMENT, *Madras* Presidency, Drawback paid; Total Collections after deducting Drawbacks; Charges of Collections, and Net Collections in each Department, from the Years 1829–30 to 1834–35, and the Total Net Collections by Land and Sea conjointly for the same Period, remodelled from the Returns received from the Accountant-general, Madras, under Dates 30 January and 9 March 1836; to which are added, Collections, Gross and Net, on account of Stamp Customs Rowannahs, framed from the Returns received from the Superintendent of Stamps, under Dates 13 July 1835 and 14 April 1836.

| YEARS | LAND. | | | | | SEA. | | | | | TOTAL Net Collections Land and Sea. | STAMPS ON ROWANNAHS. | | | TOTAL Net Collections, Sea and Land Customs and Stamps on Customs Rowannahs. |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Total Sayer Collections, including Collectors' Fees and Extra Revenue. | Drawbacks Paid. | Collections after deducting Drawbacks. | Charges of Collections. | Net Collections. | Total Collections, including Collectors' Fees and Extra Revenue. | Drawbacks Paid. | Collections after deducting Drawbacks. | Charges of Collections. | Net Collections. | | Gross Collections, Stamps on Rowannahs. | Charges of Collections at 10 per Cent. | Net Collections, Stamps on Rowannahs. | |
| 1829-30 - - | 44,14,309 | 2,81,255 | 41,33,054 | 2,62,056 | 38,70,997 | 10,68,979 | 89,336 | 9,79,642 | 1,79,935 | 7,99,707 | 46,70,705 | 2,12,584 | 21,258 | 1,91,325 | 48,62,030 |
| 1830-31 - - | 43,48,672 | 2,28,871 | 41,19,800 | 2,67,528 | 38,52,272 | 9,95,633 | 73,815 | 9,21,817 | 1,63,734 | 7,58,083 | 46,10,355 | 1,94,319 | 19,431 | 1,74,887 | 47,85,243 |
| 1831-32 - - | 42,65,445 | 3,05,011 | 39,60,434 | 3,11,033 | 36,49,401 | 11,39,874 | 2,19,981 | 9,19,892 | 1,67,045 | 7,52,847 | 44,02,248 | 2,09,822 | 20,982 | 1,88,839 | 45,91,088 |
| 1832-33 - - | 38,29,974 | 2,88,119 | 35,41,855 | 2,55,798 | 32,86,057 | 9,98,873 | 2,95,913 | 7,02,960 | 1,59,556 | 5,43,404 | 38,29,461 | 1,80,540 | 18,054 | 1,62,486 | 39,91,947 |
| 1833-34 - - | 37,50,054 | 2,39,498 | 35,10,645 | 3,01,883 | 32,08,762 | 9,84,444 | 2,29,738 | 7,54,905 | 1,63,542 | 5,91,163 | 37,99,925 | 1,64,736 | 16,473 | 1,48,262 | 39,48,188 |
| 1834-35 - - | 38,41,042 | 3,10,286 | 35,30,756 | 3,10,165 | 32,20,590 | 12,27,229 | 2,43,406 | 9,83,822 | 1,59,881 | 8,23,941 | 40,44,532 | 1,87,940 | 18,794 | 1,69,146 | 42,13,678 |
| TOTAL - - | 2,44,49,499 | 16,52,952 | 2,27,96,547 | 17,08,465 | 2,10,88,081 | 64,15,033 | 11,52,191 | 52,62,841 | 9,93,694 | 42,69,147 | 2,53,57,228 | 11,49,943 | 1,14,994 | 10,34,948 | 2,63,92,177 |
| AVERAGE - | 40,74,916 | (a)2,75,492 | 37,99,424 | 2,84,744 | 35,14,680 | 10,69,172 | * 1,92,031 | 8,77,140 | 1,65,615 | 7,11,524 | 42,26,204 | 1,91,657 | 19,165 | 1,72,491 | 43,98,696 |

* This is the sum returned as Sea Drawback by the Accountant-general; but by the Returns for Five Years, received from the several Collectors of Customs, the proportion of Drawback actually debitable to the Sea Customs only, amounts to 94,606 rupees, which sum has accordingly been adopted by the Committee in their statements of Receipts from the existing system, as contrasted with what may be anticipated from the proposed system. The difference, or 97,425 rupees, is properly Drawback of Land Customs, and should be therefore debited to that head, in addition to 2,75,492 (a) rupees there entered, making the Total Land Drawback, 3,72,917 rupees.

Customs and Post-Office Committee, Calcutta, 29 June 1836.

(signed) *T. J. Taylor*, Secretary.

## STATEMENT V., referred to in Para. 11, Report V.

STATEMENT showing the Gross CUSTOMS RECEIPTS and CHARGES on the Frontiers of the several Foreign European Settlements, *Madras* Presidency, for Five Years, from 1831 to 1835, both Years inclusive, together with the Total Net Receipts of each.

| | 1831. | | 1832. | | 1833. | | 1834. | | 1835. | | Total Receipts for Five Years. | Total Charges for Five Years. | Excess Receipts over Charges. | Excess Charges over Receipts. | Net Revenue for Five Years. |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Receipts. | Charges. | Receipts. | Charges. | Receipts. | Charges. | Receipts. | Charges. | Receipts. | Charges. | | | | | |
| South Arcot | 41,478 | 4,508 | 48,094 | 4,434 | 41,685 | 4,347 | 38,358 | 4,347 | 44,588 | 4,347 | 2,14,205 | 21,984 | 1,92,221 | | |
| Canara * | 27,939 | 5,202 | 26,200 | 5,261 | 34,646 | 5,153 | 29,460 | 5,118 | 34,810 | 5,101 | 1,53,055 | 25,835 | 1,27,220 | | |
| Rajahmundry | 1,226 | 1,640 | 1,907 | 1,636 | 745 | 1,608 | 570 | 1,607 | 890 | 1,607 | 5,340 | 8,099 | - - | 2,758 | |
| Tanjore | 31,721 | 3,674 | 26,824 | 3,712 | 27,718 | 3,676 | 26,207 | 3,807 | 27,040 | 3,716 | 1,38,912 | 18,686 | 1,20,226 | | |
| Malabar | 1,327 | 2,531 | 705 | 2,588 | 1,074 | 2,524 | 854 | 2,524 | 609 | 2,525 | 4,571 | 12,695 | - - | 8,124 | |
| TOTAL | 1,03,693 | 17,557 | 1,03,732 | 17,632 | 1,05,869 | 17,309 | 95,450 | 17,404 | 1,07,939 | 17,296 | 5,16,085 | 87,300 | 4,39,667 | 10,882 | 4,28,785 |
| AVERAGE per Annum | | | | | | | | | | | 1,02,217 | 17,460 | AVERAGE | | 85,757 |

* Of the Collections in this district about 4-5ths are on Salt imported from Goa at a duty of 200 per cent. These Collections are as follows:—

| | | |
|---|---|---|
| Salt | 1831 | 19,932 |
| | 1832 | 18,910 |
| | 1833 | 28,890 |
| | 1834 | 23,323 |
| | 1835 | 28,428 |
| | TOTAL | 1,19,483 |
| | Average | 23,896 |

STATEMENT showing Gross CUSTOMS RECEIPTS and CHARGES, *Bombay* Presidency, on the Frontier of *Goa*, adjoining Southern *Mahratta* Country, since introduction of Regulation IV. of 1833.

| | 1833–34. | | | 1834–35. | | |
|---|---|---|---|---|---|---|
| | Receipts. | Charges. | Net Revenue. | Receipts. | Charges. | Net Revenue. |
| Goa | 16,788 | 536 | 16,252 | 32,755 | 4,399 | 28,356 |

Of the above sums, the Collections on Salt at 3 annas per Surat maund (about 6 annas per Bengal maund) were, in 1833-34, 15,008; in 1834-35, 27,644.

Customs and Post-Office Committee, Calcutta, 29 June 1836.

(signed) *T. J. Taylor*, Secretary.

## STATEMENT VI.

STATEMENT of INLAND and TRANSIT DUTIES under the *Bombay* Presidency.

| | RECEIPTS. | | | | | | | CHARGES. | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Import. | Export. | Transit Duty. | Farmed Districts not distinguishable. | Total Inland Duty. | Sundry Items. | Total Receipts. | Establishment and Collectors' Allowances. | Compensation to Native Chieftains. | Village Officers' Allowances. | Pensions and Charitable Allowances. | Sibundee Charges. | Remission. | Total Charges. | Drawbacks. | Total Disbursements. |
| 1829-30 - - | 1,35,487 | 1,40,370 | 4,94,609 | 2,38,045 | 10,08,511 | 33,707 | 10,42,218 | 1,05,264 | 16,240 | 85,338 | 3,965 | 18,923 | - - | 2,29,730 | 13,595 | 2,43,325 |
| 1830-31 - - | 1,41,072 | 1,62,412 | 4,76,860 | 2,35,398 | 10,15,742 | 41,607 | 10,57,349 | 1,03,353 | 22,866 | 94,453 | 3,955 | 18,352 | 2,476 | 2,45,455 | 1,989 | 2,47,444 |
| 1831-32 - - | 1,23,525 | 1,46,972 | 8,57,450 | 2,27,284 | 13,55,231 | 38,597 | 13,92,828 | 1,14,953 | 18,735 | 79,414 | 3,813 | 19,573 | 956 | 2,37,444 | 5,473 | 2,42,917 |
| 1832-33 - - | 1,33,749 | 1,27,322 | 7,27,095 | 2,01,523 | 11,89,689 | 38,408 | 12,28,097 | 1,00,279 | 27,896 | 71,744 | 2,566 | 20,555 | 5,662 | 2,28,702 | 66,218 | 2,94,920 |
| 1833-34 - - | 1,32,284 | 1,34,418 | 6,42,200 | 2,01,496 | 11,10,398 | 35,602 | 11,46,000 | 1,06,778 | 24,783 | 71,666 | 1,161 | 20,389 | - - | 2,24,777 | 83,222 | 3,07,999 |
| 1834-35 - - | 1,79,445 | 1,18,287 | 8,40,052 | 2,05,081 | 13,42,865 | 41,732 | 13,84,597 | 1,31,077 | 18,204 | 89,339 | 2,967 | 20,466 | 37,777 | 2,99,830 | 21,369 | 3,21,199 |
| TOTAL - - - | 8,45,562 | 8,29,781 | 40,38,266 | 13,08,827 | 70,22,436 | 2,29,653 | 72,51,089 | 6,61,704 | 1,28,724 | 4,91,954 | 18,427 | 1,18,258 | 46,871 | 14,65,938 | 1,91,866 | 16,57,804 |
| AVERAGE - - | 1,40,927 | 1,38,297 | 6,73,044 | 2,18,138 | 11,70,406 | 38,275 | 12,08,515 | 1,10,284 | 21,454 | 81,992 | 3,071 | 19,709 | 7,812 | 2,44,323 | 31,978 | 2,76,304 |

STATEMENT of TOWN DUTIES realized under the Presidency of *Bombay*.

| | Bombay. | Surat Mookauts. | Ahmedabad Town Duties. | District Kusbas; Estimated. | Total Town Duties. | Deduct Drawback. | Net Town Duty. | Establishment and Remissions. | Net Revenue. | Total Gross Receipts, Land Customs and Town Duties. | Drawbacks of Land Customs and Town Duties. | Charges of Land Customs and Town Duties. | Net Revenue of Land Customs and Town Duties. |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1829-30 - - | 5,83,228 | 1,52,996 | 1,27,025 | 90,000 | 9,53,249 | 3,38,912 | 6,14,337 | 1,104 | 6,13,233 | 19,95,467 | 3,52,507 | 2,30,834 | 14,12,126 |
| 1830-31 - - | 5,93,029 | 1,64,483 | 1,30,000 | 90,000 | 9,77,512 | 2,80,349 | 6,97,163 | 1,233 | 6,95,930 | 20,34,861 | 2,82,338 | 2,46,688 | 15,05,835 |
| 1831-32 - - | 5,34,449 | 1,63,732 | 1,58,647 | 95,058 | 9,51,886 | 3,52,019 | 5,99,867 | 1,151 | 5,98,716 | 23,44,714 | 3,57,492 | 2,38,595 | 17,48,627 |
| 1832-33 - - | 5,92,350 | 1,53,248 | 1,51,463 | 1,03,949 | 10,01,010 | 2,85,856 | 7,15,154 | 1,104 | 7,14,050 | 22,29,107 | 3,52,074 | 2,29,806 | 16,47,227 |
| 1833 34 - - | 4,64,126 | 1,34,928 | 1,09,625 | 94,578 | 8,03,257 | 3,36,283 | 4,66,974 | 1,603 | 4,65,371 | 19,49,257 | 4,19,505 | 2,26,380 | 13,03,372 |
| 1834-35 - - | 2,16,784 | 1,41,801 | 1,48,239 | 97,667 | 6,04,491 | 3,08,903 | 2,95,588 | 1,201 | 2,94,387 | 19,90,088 | 3,30,272 | 3,01,031 | 13,58,785 |
| TOTAL - - - | 29,82,966 | 9,11,118 | 8,24,999 | 5,71,252 | 52,91,405 | 19,02,322 | 33,89,083 | 7,396 | 33,81,687 | 1,25,42,494 | 20,94,188 | 14,73,334 | 89,75,972 |
| AVERAGE - - | 4,97,161 | 1,51,865 | 1,37,499 | 95,209 | 8,81,905 | 3,17,054 | 5,64,847 | 1,233 | 5,63,614 | 20,90,416 | 3,49,031 | 2,45,556 | 14,95,995 |

Customs and Post-Office Committee,
Calcutta, 29 June 1836.

(signed) *T. J. Taylor*,
Secretary.

## STATEMENT VII.

## BOMBAY SEA CUSTOMS.

### RECEIPTS.

| — | THE PORT AND ISLAND OF BOMBAY. | | | | | | | | | SUBORDINATE PORTS. | | | | | | Total Sea Customs of Bombay Presidency. |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Honourable Company's Investments. | General Trade, 2½ per Cent. | Additional Duty, 1 per Cent. | Half Duty on Excess, or on Certificate 1¾. | Foreign Imports, 4½. | Foreign Exports, 3½. | Total Import and Export Duties. | Collectors' Fees. | Total Sea Customs, Bombay. | North Concan. | South Concan. | Total Concan. | Goojerat. | Poorbundar. | Total Sea Customs, Subordinate Ports. | |
| 1829-30 - - | 1,54,841 | 6,71,393 | 2,03,018 | - - - | 52,594 | 9,171 | 10,91,017 | 1,18,350 | 12,09,367 | 5,63,198 | 85,071 | 6,48,269 | 4,24,668 | 21,259 | 10,94,196 | 23,03,563 |
| 1830-31 - - | 1,27,024 | 6,71,493 | 1,89,733 | 24 | 46,223 | 8,219 | 10,42,716 | 1,12,940 | 11,55,656 | 6,42,010 | 97,295 | 7,21,305 | 4,20,573 | 14,000 | 11,55,878 | 23,11,534 |
| 1831-32 - - | 31,739 | 4,79,131 | 1,31,636 | 47 | 50,994 | 12,517 | 7,06,064 | 1,07,445 | 8,13,509 | 6,23,360 | 75,389 | 6,98,749 | 3,66,293 | 17,739 | 10,82,781 | 19,96,288 |
| 1832-33 - - | 1,29,596 | 5,59,353 | 1,57,246 | - - - | 47,941 | 22,892 | 8,17,028 | 1,18,829 | 10,35,857 | 5,74,003 | 76,034 | 6,50,037 | 4,39,444 | 27,306 | 11,16,787 | 21,52,644 |
| 1833-34 - - | 63,017 | 4,79,258 | 1,38,260 | - - - | 43,124 | 20,515 | 7,44,174 | 1,30,811 | 8,74,985 | 5,80,497 | 86,954 | 6,67,451 | 3,89,244 | 29,441 | 10,86,136 | 19,73,443 |
| 1834-35 - - | 243 | 4,52,970 | 1,29,565 | Cotton: 26,663 | 31,534 | 11,889 | 6,52,864 | 1,22,337 | 7,75,201 | 6,50,491 | 1,03,723 | 7,54,314 | 3,76,936 | 21,967 | 11,53,117 | 19,28,318 |
| TOTAL - - - | 5,06,460 | 33,13,598 | 9,49,458 | 26,663 | 2,72,410 | 85,203 | 51,53,863 | 7,10,712 | 58,64,575 | 36,37,559 | 5,06,466 | 41,40,125 | 25,17,158 | 1,31,712 | 66,91,895 | 1,26,65,782 |
| AVERAGE - - | 84,410 | 5,52,266 | 1,58,243 | 4,443 | 43,773 | 14,200 | 8,58,977 | 1,18,452 | 9,77,429 | 6,06,259 | 84,411 | 6,90,020 | 4,19,526 | 21,952 | 11,15,315 | 21,10,963 |

The Statement of Receipts is framed from Annual Returns furnished by Accountant-general, Bombay, to Accountant-general, Bengal, and differ somewhat from that furnished by the former Officer to Committee. The proportion of Revenue realized from the several rates of Customs, and also the separate collections of Outports are, however, shown in great detail.

### CHARGES.

| — | Establishment and Collectors' Allowances. | Boats for preventing Smuggling. | Compensation to Native Chieftains. | Village Officers' Allowances, &c. | Remission. | Gratuity to Discharged Servants. | Pensions and Charitable Allowances. | Total Charges. | Drawbacks. | Total Disbursements. | Total Receipts. | Net Revenue. | REMARKS. |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1829-30 - - | 2,22,280 | 875 | 6,556 | 8,346 | 2,052 | 8,295 | 481 | 2,48,885 | 85,610 | 3,34,495 | 23,03,563 | 19,69,068 | |
| 1830-31 - - | 1,89,888 | 295 | 10,383 | 7,436 | 32,896 | 1,635 | 205 | 2,42,738 | 73,931 | 3,16,669 | 23,11,534 | 19,94,865 | |
| 1831-32 - - | 2,00,621 | 333 | 20,416 | 26,463 | 7,802 | - - - | 180 | 2,55,815 | 1,13,551 | 3,69,366 | 19,96,288 | 16,26,922 | |
| 1832-33 - - | 1,97,963 | 22,425 | 18,633 | 30,361 | 4,461 | - - - | 281 | 2,74,124 | 1,47,464 | 4,21,588 | 21,52,644 | 17,31,056 | |
| 1833-34 - - | 2,50,884 | 7,807 | 10,582 | 23,859 | 12,787 | - - - | 539 | 3,06,458 | 1,65,683 | 4,72,141 | 19,73,443 | 15,01,302 | |
| 1834-35 - - | 2,07,689 | 5,975 | 80,140 | 9,693 | 6,402 | - - - | 445 | 3,10,344 | 2,57,527 | 5,67,871 | 19,28,318 | 13,60,447 | |
| TOTAL - - - | 12,69,325 | 37,710 | 1,46,710 | 1,06,158 | 66,400 | 9,930 | 2,131 | 16,38,364 | 8,43,766 | 24,82,130 | 1,26,65,790 | 1,01,83,660 | |
| AVERAGE - - | 2,11,554 | 6,285 | 24,451 | 17,693 | 11,067 | 1,655 | 355 | 2,73,063 | 1,40,627 | 4,13,689 | 21,10,965 | 16,97,276 | |

The charges are framed from Returns furnished by Accountant-general, Bombay, to the Committee.

Customs and Post-Office Committee,
Calcutta, 29 June 1836.

(signed) *T. J. Taylor*,
Secretary.

# APPENDIX.

## APPENDIX (A.) referred to in Para. 9, Report V.

EXTRACT from Letter from Commissioner of Revenue and Customs of the Presidency of *Bombay*, dated 1 June 1836; referred to in Para. 9.

I AM satisfied that nothing would tend so much to the improvement of the Deccan, Candeish and the Concan, as the repeal of the transit duties. I have now been a traveller, an anxious observer, and a constant inquirer in the different districts of the Government for the last 17 years. I have made their actual condition, their capabilities, their resources, their commerce, and the habits and dispositions of the cultivating and trading classes my constant study; and my fixed opinion is, that the abolition of the "Rahdaree" would give an impulse to agricultural industry, that would in a very short term, say three years or so, cover and more than cover the "Rahdaree," given up. In Poonah and Nuggur not one-third of the arable land is cultivated; this is partly owing to excessive land-rents, and partly to a want of demand for territorial produce. The demand is much narrowed by the vexatious operation of the rahdaree, the system of which is much more objectionable than that of Guzeerat, where the people have the advantage of a better soil, better markets, numerous ports, and are altogether better off than the depressed inhabitants of the Deccan. The soil of the Deccan is in many parts capable of raising all the richer products of India, but the high land-rents and the innumerable duties keep the people poor and dispirited, and their cultivation is chiefly confined to the common grains required for their daily subsistence. Whenever we have reduced the rents, the improvement has been astonishing; but the revision of the assessment of an extensive country is a slow operation (if it is done properly), and we have very few hands available for a task that requires experience, caution and energy. The rahdaree is felt by every cultivator, and its abolition, operating like a general and equable reduction of the land-tax, would benefit all alike.

Since the land customs were abolished in Candeish on cotton, the production of that article has rapidly* increased; the rent on the new cultivation has far more than covered the former amount of those customs. The same as regards indigo, large quantities of which, since the rahdaree was abolished, are now exported to Surat. As for the town duties of the Deccan, they are so ill-defined, so numerous, so complicated, that they are almost incomprehensible,—and I suspect they are a fruitful source of oppression to the poorer classes; only yesterday a cess that yields about 17,000 rupees at Poonah was brought to my notice. It is termed the "Tug tax," and is levied on certain articles according to their weight. I believe it is very onerous, regular customs are taken on the same articles, and the items composing it I suspect do not fall short of 10 per cent. Poonah is now a poor decayed city, and though its fortunes fell, we all know, with the Peishwa, I am of opinion, that were the duties lowered and put on an equitable footing (if not remitted entirely, (it would soon become a flourishing place, and a fine market for the produce of the surrounding country.

* *Vide* accompanying Statement.

I have, &c.

(signed) *T. Williamson*,
Revenue Commissioner.

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No. 1,223 of 1836.

From *T. Williamson*, Esq., Revenue Commissioner, to *R. Mills*, Esq., Principal Collector, Poonah.

Sir,

"Tug Tax." I HAVE the honour to acknowledge the receipt of your yād requesting confirmation to the farms of the tug tax levied on merchandize according to its weight, in addition to the heavy juckāt, or ordinary customs levied per rass, or on a load of a beast of burden.

2. I believe the rates at which this impost is exacted are not well defined, and are a frequent source of contention between the farmer's agents and owners of goods.

3. This tax, moreover, appears to me of a vexatious and impolitic nature; and I much incline to think its abolition would afford seasonable relief to the highly taxed inhabitants of the impoverished city of Poonah; and by promoting trade, ultimately prove beneficial to the resources of the state; on this point, I beg to be favoured with your early opinion.

4. You have deviated from the usual custom in not reporting the offer noticed in your yād in an English letter, particularly as the amount of the item is very considerable, and the sum tendered not only falls short of last year's amount, but of the average receipts during the last five years.

5. As the attention of your assistant, Mr. Malet, has, I believe, for some time past been directed to the subject of customs and duties levied on the trade of Poonah, he will probably be able to give a full account of the nature and tendency of the tug tax; his early report and opinion on which I beg you will have the goodness to call for, and transmit to me for the purpose of being laid before Government.

6. Should

6. Should the question now propounded not be decided before the present "tug" farm expires, you will have the goodness to adopt measures for managing it direct, by means of your own establishment.

I have, &c.

(signed) *T. Williamson,*
Rev. Commissioner.

Candeish District, Veergaum,
Revenue Commissioner's Office, 28 May 1836.

*Endorsement by Mr. Williamson.*

Tug tax: A kind of cess levied on goods that are weighed at the chabootra of the city of Poonah, in addition to the "jackāt," or regular customs.

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From *W. S. Boyd,* Esq., Collector, Candeish, to *Thomas Williamson,* Esq., Revenue Commissioner's Camp, Ahmednuggur.

Sir,

In reply to your letter of the 16th ultimo, I beg to state, the rent of land cultivated with cotton in Candeish for the last five years is as follows:

| | |
|---|---|
| Fuslie 1241, A. D. 1831–32 - - - - - | 65,000 |
| Fuslie 1242, A. D. 1832–33 - - - - - | 60,000 |
| Fuslie 1243, A. D. 1833–34 - - - - - | 76,000 |
| Fuslie 1244, A. D. 1834–35 - - - - - | 1,36,000 |
| Fuslie 1245, A. D. 1835–36 - - - - - | 2,00,000 |

I have, &c.

(signed) *W. S. Boyd,*
Collector.

Candeish, Collector's Office,
1 February 1836.

*Endorsement by Mr. Williamson.*

Evidence of the practical good effects of relieving the agricultural industry of the Bombay provinces, per the abolition of the transit duties.

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Extract from the Annual Report of the Collector of Candeish for 1834–35.

9. The circumstances of the people, and consequently, the security of the revenue, have been much improved by the extended growth of cotton, which is very apparent since the subject came under the more immediate notice of Government. It appears that for the five years ending with Fusly 1242, the average amount in rent of lands cultivated with cotton amounted to 63,000 rupees; in 1833, 76,000 rupees; and in 1834–35, the season reported upon, it has attained to 1,36,000, and I imagine will, in 1835–36, be nearly two lacs.

(signed) *W. S. Boyd,* Collector.

*Endorsement by Mr. Williamson.*

Increasing revenues of Candeish; proof that the state of the public revenue is improving, and that it would be politic, even in a strictly financial point of view, to abolish the rhadaree. Candeish abounds in exportable and exchangeable produce, such as lint-seed, madder-root, &c. for which, if the rhadaree was taken off, the demand would necessarily increase.

There is abundance of fine rich soil lying waste, which, under increased commercial demand, would soon be cultivated, to the great advantage of the revenue and the people.

(signed) *T. W.*

(True extracts.)
(signed) T. J. Taylor, Secretary.

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## Appendix (B.) referred to in Paras. 4 and 10, Report V.

### Applicability of Bengal Tariff to *Madras*.

Note by Secretary.

Madras.

1. The Secretary has the honour to submit the annexed statements in illustration of the effect of applying the Bengal Tariff to the Madras Presidency.

2. Statement (A.) shows the amount of the import trade, Madras Presidency, from places other than British Indian ports, with the amount of duty leviable thereon. This trade would appear to be as follows:

| | *Rs.* | *Rs.* |
|---|---|---|
| In British bottoms | 52,85,444 | |
| In Foreign bottoms | 5,88,085 | |
| Total Imports | | 58,73,529 |
| The amount of duty leviable on the former is | 5,16,617 | |
| On the latter | 1,03,171 | |
| Total Import Duty | | 6,19,788 |

3. As sugar is exported from British Indian ports "free," it will pay duty on import; I have, therefore, added it to the import statement. I have likewise added coffee imported from Canara, as that article would have to pay 7½ per cent. duty on import; sugar and coffee are accordingly excluded from Statement (C.) of exports from subordinate ports.

4. The total imports, therefore, by Statement (A.), appear to be 60,35,012 rupees, and the duty to be 6,27,957 rupees.

5. It must be remembered that of this sum, no less an amount than 3,21,435 * rupees, is the duty on spirits, and which includes sums at present brought to account under abkarree, but of the amount of which there is no information before the committee; I mean, that the committee do not know what additional loss will be entailed on Government by adopting the new tariff in lieu of the present abkarree, over and above the loss in customs and in stamps. Deducting, therefore, the amount leviable on spirits imported for the Government,† the whole import customs revenue, Madras Presidency, would appear to be only 3,81,176 rupees.

6. At present, salt to the value of 1,00,000 rupees a year, is imported into Malabar from Bombay, and sold to Government, and by Government retailed at the monopoly price. Were this salt subjected to the rate of duty established by the Bengal tariff, a rate about treble that at present realized under the Madras monopoly, it would necessarily cease to be imported. The duty would be perfectly prohibitory.

7. I have divided the export trade of the Presidency into two Statements (B.) and (C.); (B.) shows the entire export trade of the Madras Presidency beyond the limits of such Presidency; (C.) the entire export trade within such limits, *i. e.* from port to port.

8. By statement (B.) the exports would appear to be—

| | *Rs.* |
|---|---|
| In British bottoms | 1,30,81,461 |
| In Foreign bottoms | 7,63,599 |
| | *Rs.* 1,38,47,060 |
| On the former, the duty, agreeably to the new tariff, would be | 3,85,548 |
| On the latter | 37,547 |
| Making the total duty leviable on the export trade beyond the Madras Presidency *Rs.* | 4,23,095 |

---

* On private spirits 74,554

On arrack imported and sold to Government for the troops and abkarree 2,46,781

Total 3,21,435

† For further explanation on this point relative to the import of Colombo arrack on account of Government, *vide* separate note hereto appended, and marked Appendix (C.)

| | | *Rs.* |
|---|---|---|
| 9. Statement (C.) shows the amount value of export trade from port to port to be | | 53,91,543 |
| From this amount must be deducted the following items: | | |
| Cotton, included in general exports | *Rs.* 3,15,186 | |
| Sugar, included in general imports | 15,542 | |
| Coffee - ditto - - - ditto | 62,976 | |
| Salt and precious stones, free | — | |
| Wines and spirits, evidently included in Import Statement | 1,96,741 | |
| Metals - - - ditto - - - ditto | 1,14,267 | |
| | | 7,04,712 |
| Leaving the amount of export trade from port to port, subject to duty, at *Rs.* | | 46,86,831 |

10. This sum of 46,86,831 rupees may be divided into three heads: cotton, subsequently re-exported to Great Britain, and the duty on which is repaid as drawback; grain; and sundries.

| | Amount Value of Exports. | Rate of Duty. | Duty on Exports. |
|---|---|---|---|
| Cotton | 2,32,137 | 5 | 11,607 |
| Grain | 22,04,102 | 2 | *44,082 |
| All other Articles | 22,50,592 | 3 | 67,514 |
| TOTAL | 46,86,831 | - - | 1,23,203 |

11. The total Sea Customs may, therefore, be stated as follows:

| | *Rs.* |
|---|---|
| General imports (excluding Government spirits) | 3,81,176 |
| General exports | 4,23,095 |
| Exports within the Presidency | 1,23,203 |
| | 9,27,474 |
| From this must be deducted the drawback on re-export, as per Statement (D.), amounting to | 50,403 |
| Which reduces the gross collections, Sea Customs Madras Presidency, realizable by adopting the new Bengal tariff to | 8,77,071 |

12. About a lac of rupees will be realized on the frontier of foreign European settlements, and a further sum perhaps, if the frontier system in Travancore and along the Nizam's frontier be continued; but I have not included any receipt under this head in the present note.

| | *Rs.* |
|---|---|
| Sea Customs | 8,77,071 |
| Frontier duty, European settlements | 1,00,000 |
| | 9,77,071 |

* The duty in reality does not, on an average, exceed 1·14 per cent.; but I have adopted 2 per cent. for facility of calculation.

13. By the returns received from the Accountant-general, Madras, the Customs of that Presidency average as follows:

| | *Rs.* |
|---|---|
| Land Customs and town duties | 40,74,916 |
| Sea Customs | 10,69,172 |
| Stamps on rowannahs | 1,91,657 |
| Total | 53,35,745 |
| Deduct drawback | 4,67,523 |
| Net Total Customs' Receipts | *Rs.* 48,68,222 |

14. The charges under the existing system are:

| | *Rs.* | *Rs.* |
|---|---|---|
| Land Customs | 2,84,744 | |
| Sea Customs | 1,65,615 | |
| Stamps on rowannahs | 19,165 | |
| | | 4,69,524 |
| Which deducted from Net Collections leaves a Net Revenue amounting to *Rs.* | | 43,98,698 |

Under the revised system, the charges would be as follows:

| | *Rs.* | *Rs.* |
|---|---|---|
| Sea Customs, as at present | 1,65,615 | |
| Frontier chokees at European foreign settlements, about | 20,000 | |
| Total Charges | 1,85,615 | |
| Which deducted from Net Collections (excluding salt and Government spirits) | 9,77,071 | |
| Leaves a Net Revenue of Customs amounting to *Rs.* | | 7,91,456 |

or a net loss on the existing system of 36,07,242 rupees on Sea and Land Customs and town duties, Madras Presidency.

Calcutta, Customs Committee,
20 June 1836.

(signed) *T. J. Taylor,*
Secretary.

(True copy.)

(signed) T. J. Taylor, Secretary.

Statement (A.) referred to in Paras. 2 to 5, Secretary's Note.

STATEMENT showing the Amount of IMPORT TRADE, *Madras* Presidency, from Places other than British Indian Ports, together with the Amount of Duty leviable thereupon agreeably to the New Bengal Tariff.

| ENUMERATION of GOODS. | ON BRITISH BOTTOMS. | | | ON FOREIGN BOTTOMS. | | |
|---|---|---|---|---|---|---|
| | Amount of Trade. | Rate of Duty. | Amount of Duty. | Amount of Trade. | Rate of Duty. | Amount of Duty. |
| Marines Stores: | | | | | | |
| British | 35,987 | 3 | 1,079 | - | 6 | — |
| Foreign | 84,139 | 6 | 5,048 | 726 | 12 | 87 |
| Metals: | | | | | | |
| British | 1,08,047 | 3 | 3,241 | - | 6 | — |
| Foreign | 22,308 | 6 | 1,338 | 36,674 | 12 | 4,400 |
| Tin: | | | | | | |
| British | 43,457 | 3 | 1,303 | - | 6 | — |
| Foreign | 3,652 | 10 | 365 | - | 20 | — |
| Woollens: | | | | | | |
| British | 99,319 | 2 | 1,986 | - | 4 | — |
| Foreign | 3,233 | 4 | 129 | 1,272 | 8 | 101 |
| Cotton Piece Goods: | | | | | | |
| British | 2,37,395 | 3½ | 8,308 | - | 7 | — |
| Foreign | 33,913 | 7 | 2,373 | 1,19,503 | 14 | 16,730 |
| Cotton Twist: | | | | | | |
| British | 45,380 | 3½ | 1,588 | - | 7 | — |
| Foreign | 812 | 7 | 56 | 1,427 | 14 | 199 |
| Silk Piece Goods: | | | | | | |
| British | 23,485 | 3½ | 821 | - | 7 | — |
| Foreign | 31,628 | 7 | 2,227 | 13,968 | 14 | 1,955 |
| Alum | 3,477 | 10 | 347 | - | 20 | — |
| Camphor | 21,020 | 10 | 2,102 | 361 | 20 | 72 |
| Cassia | 10,668 | 10 | 1,066 | - | 20 | — |
| Cloves | 9,309 | 10 | 930 | 18,712 | 20 | 3,742 |
| Coffee | 30,725 | 7½ | 2,304 | 1,044 | 15 | 156 |
| Coral | - | 10 | - | - | 20 | — |
| Nutmegs and Mace | 17,667 | 10 | 1,766 | 5,286 | 20 | 1,057 |
| Pepper | 1,12,235 | 10 | 11,223 | 2,188 | 20 | 437 |
| Rattans | 5,086 | 7½ | 381 | 497 | 15 | 74 |
| Tea | 44,320 | 10 | 4,432 | 16 | 20 | 3 |
| Vermilion | 996 | 10 | 99 | - | 20 | — |
| Wines and Liqueurs | 6,46,707 | 10 | 64,670 | 1,01,678 | 20 | 20,335 |
| Spirits | *3,19,884 | 9 annas per gal. | *2,82,272 | 75,302 | 16 annas | 39,163 |
| All other articles | 32,90,395 | 3½ | 1,15,163 | 2,09,431 | 7 | 14,660 |
| TOTAL | 52,85,444 | - | 5,16,617 | 5,88,085 | - | 1,03,171 |
| Sugar from Bengal and Bombay | 82,965 | 3½ | 2,903 | — | | |
| Sugar from Madras Subordinates | 15,542 | 3½ | 543 | salt. | | |
| Coffee from Canara | 62,976 | 7½ | 4,723 | 1,12,045 | | |
| GRAND TOTAL | 54,46,927 | - | 5,24,786 | 7,00,130 | | |

Calcutta, Customs Committee, 20 June 1836.

(signed) *T. J. Taylor*, Secretary.

(True copy.)
(signed) T. J. Taylor, Secretary.

Statement (B.) referred to in Paras. 7 and 8, Secretary's Note.

STATEMENT showing Amount Value of EXPORT TRADE, *Madras* Presidency, to Places beyond limits of such Presidency, together with the Duty leviable thereupon, agreeably to revised Bengal Tariff.

| | British Bottoms. | | Duty. | Foreign Bottoms. | | Duty. |
|---|---|---|---|---|---|---|
| Cotton to Europe or North America - | 2,39,564 | free - | - - - | 7,705 | 5 | 385 |
| Cotton to any other place - - | 5,58,771 | 5 | 27,938 | - - - | 10 | |
| Sugar to Great Britain or any British Port. | 44,738 | free - | - - - | - - - | 3 | This is all re-exported. |
| Sugar to any other place - - | 1,743 | 3 | - - - | 834 | 6 | |
| Grain - - - - - - - | 20,68,780 | at ½ anna per maund. | 40,955 | 1,93,688 | at 1 anna per maund. | 7,580 |
| Indigo - - - - - - - | 4,93,859 | 3 rupees per maund. | 14,816 | 1,18,382 | 6 rupees per maund. | 7,102 |
| Silk - - - - - - - | 8,722 | 3 | 261 | 270 | 6 | 16 |
| Tobacco - - - - - | 74,570 | 4 annas per maund. | 1,864 | 2,334 | 8 annas per maund. | 116 |
| All other Articles - - - - | 95,90,714 | 3 | 2,87,723 | 3,72,386 | 6 | 22,348 |
| TOTAL - - - | 1,30,81,461 | - - | 3,73,557 | 7,65,599 | - - | 37,547 |

*N.B.*—The duty on grain at ½ anna per maund, is about 1. 14, say 2 per cent.
The duty on indigo at 3 rupees per maund, is about 3 per cent.
The duty on tobacco at 4 annas per maund, is 2½ per cent.

Calcutta, Customs Committee, 20 June 1836.

(signed) *T. J. Taylor*, Secretary.

(True copy.)
(signed) T. J. Taylor, Secretary.

Statement (C.) referred to in Paras. 9 and 10, Secretary's Note.

STATEMENT showing the Amount Value of EXPORT TRADE from each Port, *Madras* Presidency, to Places within the Limits of such Presidency.

| | 1829–30. | 1830–31. | 1831–32. | 1832–33. | 1833–34. | |
|---|---|---|---|---|---|---|
| Ganjam | 7,72,875 | 6,45,140 | 3,42,471 | 6,41,808 | 5,19,149 | |
| Vizagapatam | 5,32,163 | 4,38,313 | 5,18,765 | 6,25,537 | 1,60,616 | |
| Rajahmundry | 3,78,806 | 2,86,683 | 2,57,919 | 1,42,936 | 2,61,792 | |
| Masulipatam | 1,09,301 | 1,17,371 | 32,974 | 93,616 | 98,421 | |
| Guntoor | 1,42,386 | 1,40,241 | 79,629 | 1,01,224 | 80,049 | |
| Nellore | 3,77,218 | 4,75,698 | 3,98,829 | 3,92,890 | 1,35,542 | |
| Madras | 6,49,489 | 6,62,617 | 6,09,975 | 7,47,350 | 11,09,693 | |
| South Arcot | 4,39,782 | 2,49,585 | 2,35,292 | 3,86,185 | 2,73,737 | |
| Tanjore | 4,66,175 | 7,81,560 | 7,83,785 | 13,03,614 | 16,35,823 | |
| Madura | 45,575 | 1,97,796 | 2,41,087 | 64,435 | 1,14,729 | |
| Tinnevelly | 13,75,090 | 10,16,864 | 7,01,038 | 5,41,318 | 5,33,406 | |
| Malabar | 2,15,549 | 2,89,677 | 2,43,614 | 1,61,858 | 1,59,243 | |
| Canara | 3,08,670 | 1,66,907 | 2,48,901 | 3,21,780 | 3,75,157 | |
| TOTAL Exports | 58,13,079 | 54,68,452 | 46,94,279 | 55,24,551 | 54,57,357 | 2,69,57,718 |
| | | | | | Average | 53,91,543 |
| | | | | | Deduct | 7,04,812 |
| | | | | | Balance | 46,86,731 |

| | | |
|---|---|---|
| Deduct Cotton | 3,15,286 | |
| Deduct Sugar | 15,542 | included in Import Statement. |
| Deduct Coffee | 62,976 | |
| Wines and Spirits (Re-export) Salt and Precious Stones | 1,06,741 | included in Import Statement, or free. |
| Metals (Re-export) | 1,14,267 | included in Import Statement, or free. |
| | 7,04,812 | |

| | | | |
|---|---|---|---|
| Balance | 46,86,731 | consisting of Cotton | 2,32,137 |
| | | Grain | 22,04,102 |
| | | All other Articles | 22,50,492 |
| | | | 46,86,731 |

Calcutta, Customs Committee, 20 June 1836.

(signed) *T. J. Taylor*, Secretary.

(True copy.)
(signed) T. J. Taylor, Secretary.

Statement (D.) referred to in Para. 11, Secretary's Note, and Para. 4, Report V.

STATEMENT showing the Description and Value of GOODS RE-EXPORTED from *Madras*, to Places other than British Indian Ports, together with the Amount of Duty originally leviable on the same, and the Amount of Duty returned on the Re-Exports.

| ENUMERATION of GOODS. | Amount Value of Re-Exports. | Rate of Duty. | Amount of Duty leviable on Import. | Drawback. | |
|---|---|---|---|---|---|
| Marine Stores | 11,025 | 3 | 330 | 7/8 | 289 |
| Metals | 61,250 | 3 | 1,837 | 7/8 | 1,632 |
| Tin | — | — | — | | — |
| Woollens | 26,821 | 2 | 536 | 7/8 | 469 |
| Cotton and Silk Piece Goods, Estimated. | | 3½ | 3,500 | 7/8 | 3,062 |
| Alum | 1,611 | 10 | 161 | 7/8 | 140 |
| Camphor | 3,339 | 10 | 333 | 7/8 | 291 |
| Cassia | 10,943 | 10 | 1,094 | 7/8 | 957 |
| Cloves | 5,980 | 10 | 598 | 7/8 | 523 |
| Coffee | 62,807 | 7½ | 4,710 | 7/8 | 4,121 |
| Coral | — | — | — | | — |
| Nutmegs and Mace | 28,807 | 10 | 2,880 | 7/8 | 2,520 |
| Pepper | 24,265 | 10 | 2,426 | 7/8 | 2,123 |
| Rattans | — | — | — | | — |
| Tea | 12,413 | 10 | 1,241 | 7/8 | 1,086 |
| Vermilion | — | — | — | | — |
| Wines and Liqueurs | 1,07,436 | 10 | 10,743 | 7/8 | 9,400 |
| All other Articles | 3,43,807 | 3½ | 12,033 | 7/8 | 10,529 |
| TOTAL | 7,00,504 | | 42,422 | 7/8 | 37,142 |
| Cotton to Europe | 2,32,139 | | | whole | 11,607 |
| Sugar to British Possessions | 44,738 | | | whole | 1,565 |
| „ elsewhere | 2,577 | | | 7/8 | 89 |
| TOTAL | 9,79,958 | | 42,422 | | 50,403 |

Calcutta, Customs Committee, 20 June 1836.

(signed) *T. J. Taylor*, Secretary.

(True copy.)

(signed) T. J. Taylor, Secretary.

## Appendix (C.) referred to in Para. 5, Appendix (B.)

### Applicability of revised Bengal Tariff to *Madras*.

Note by Secretary.

Spirits, Madras.

1. With reference to the duty on spirits of 9 annas per gallon in the new Bengal tariff, the secretary has the honour to offer the following observations, which may possibly induce a belief that the rate is not exactly applicable to Madras, at least as respects the import of Colombo arrack at that Presidency.

2. In Bengal, large quantities of rum are distilled, not only sufficient to provide for internal consumption, including the supply of the troops, but also for export to an extent of 50,000 gallons a year.

3. The spirit is subjected to a still-head duty of 8 annas a gallon, in order to protect which, and to preclude the possibility of foreign spirits being imported and sold wholesale in any quantities, the duty on import wholesale has been fixed at 9 annas per gallon.

4. On the sale of such spirit retail, there is no further duty levied under the head of abkaree, save the charge for a license, which is, however, very trifling.

5. In the Madras territories, there is no such manufacture of rum. The only spirit manufactured in that Presidency, and which is ordinarily consumed by the lower orders, is called "country arrack," a villanous compound, extracted from jaggery and the bark of the babool tree, or from the flowers of the mowrah tree. It is this spirit which is usually sold throughout the country by the abkaree contractors, whether civil or military; at some few of the larger towns, such as Madras, Cannanore, Bangalore, Trichinopoly, a small quantity of Colombo arrack is also sold. It is dearer than country arrack, and not so much liked by the lower orders generally. Colombo arrack is always reduced to 10 per cent. below London proof.

6. As no good and wholesome spirit is manufactured in the Madras territories, the whole quantity required for the European soldiery, as also for the moderate wants of the abkaree contractors, is imported from Ceylon, by natives, in dhonies, and sold to the Commissariat at a price averaging about 70 rupees for 150 gallons, London proof; the duty of 8 per cent. being paid by the importer.

7. The quantity so imported varies from 4 lacs to 4½ lacs of gallons a year. It is reduced to 10 per cent. below London proof, is then stored in large vats in the Commissary-general's office, and kept there for one year prior to despatch to the several military stations, or its supply to the Collector of Madras, on indent, for the supply of the licensed liquor shops.

8. This spirit is supplied to the Collector at a certain enhanced price. By that officer it is supplied to the retail dealers at a further enhanced price, in which is included the excise duty, not exceeding Rs. 3. 8. per gallon. As far as my recollection serves, about 450 gallons a week are thus supplied to the Collector of Madras by the Commissariat.

9. In order to protect these licensed retail dealers, no spirit manufactured on this side of the Cape of Good Hope can be imported at Madras without payment of an excise duty of 350 rupees per leaguer of 150 gallons, in addition to the customs duty of 8 per cent., and even then such spirit cannot be sold for internal consumption in less quantities than five leaguers at a time.

10. On re-export, 5½ per cent. customs is refunded as drawback, and if to Great Britain, the entire excise duty is refunded in addition.

11. All foreign spirit manufactured the other side of the Cape pays an import duty of 8 per cent. if imported in British bottoms; but European shopkeepers are prohibited from selling such spirit in less quantities than one dozen quarts, and which spirit cannot be removed from their shops without a permit from the Collector of Madras. The average quantity of spirit imported at Madras is as follows:

| | Gallons. |
|---|---|
| Gin - - - - - - - - - | 9,546 |
| Brandy, Rum, Whiskey, &c. - - - - | 95,569 |
| Gallons - - - | 1,05,115 |
| Arrack, solely imported for use of the Troops and supply of the Abkaree - - - - | 4,35,868 |
| Total Gallons - - - | 5,40,983 |

12. On the larger portion of the above imports, arrack, it seems evident that a customs duty of 9 annas per gallon could not be realized as revenue; if levied at all, it could only be brought to account by a book transfer; the receipt being entered as customs, and the payment debited to the head of military charges.

13. I have accordingly applied the new tariff to the gallons 1,05,115 of other spirits imported for private consumption, and beg to submit the accompanying statement of the revised rate contrasted with the existing rate.

14. I have adopted the valuation of the Madras Trade Returns; Rs. 2. 12. per gallon, gin; Rs. 2. 4. per gallon, rum, brandy, whisky, &c.

| NAME OF SPIRIT. | Value of 100 Gallons of Spirits. | Present Duty. | Proposed Duty. | Increase. |
|---|---|---|---|---|
| | *Rupees.* | *Rupees.* | *Rupees.* | *Rupees.* |
| English Gin - - - - | 275 | 22 | 56 4 | 34 4 |
| Foreign Gin - - - - | 275 | 44 | 100 – | 56 – |
| English Brandy - - - | 225 | 18 | 56 4 | 38 4 |
| Foreign Brandy - - - | 225 | 36 | 100 – | 64 – |

15. The proposed duty would therefore appear to be as follows:—

On British Gin - - - - - - 20½ per cent.
On Foreign Gin - - - - - - 36½ per cent.
On British Brandy - - - - - 25 per cent.
On Foreign Brandy - - - - - 44½ per cent.

16. The amount of duty leviable on spirit, supposing Government arrack to be excluded,

On British bottoms, would be - - - - - *Rs.* 39,161
On Foreign bottoms - - - - - - 35,493

Total - - - *Rs.* 74,654

And which sum has accordingly been entered in the Statement of Trade, and the amount duty realizable therefrom.

(signed) *T. J. Taylor,*
Secretary.

Customs and Post-Office Committee, Calcutta,
21 June 1836.

(True copy.)
(signed) T. J. Taylor, Secretary.

## APPENDIX (D.), referred to in Paras. 5 and 10, Report V.

### APPLICABILITY OF BENGAL TARIFF TO *Bombay*.

### NOTE by Secretary.

1. THE Secretary has the honour to submit the annexed statements in illustration of the effect of applying the Bengal Tariff to the Bombay Presidency.

2. Bombay Island being in its nature an entrepôt, it is only necessary here to observe, that no export duty has been calculated on the trade from that port, except the difference of duty leviable on foreign bottoms. Import duty has alone been calculated on the trade of Bombay, from all places other than British India. This will be found in Statements (A.) and (B.)

3. Statement (A.) shows the trade at Bombay, as above described, to be—

| | | |
|---|---|---|
| In British bottoms - - - - - - - - | *Rs.* | 2,12,93,350 |
| Ditto in Foreign bottoms - - - - - - - | | 19,85,750 |
| Total Value of Trade - - - | *Rs.* | 2,32,79,100 |

| | | | |
|---|---|---|---|
| The Amount of Duty leviable on the former is - - - | *Rs.* | 9,45,538 | |
| On the latter - - - - - - - - - | | 2,07,834 | |
| Total Duty - - - | | 11,53,372 | |
| To this must be added, duty on sugar imported from Bengal, in value 2,75,650 rupees - - - - - - | | 9,647 | |
| Making a Total Import Duty of - - - - | *Rs.* | | 11,63,019 |

4. Statement

4. Statement (B.) is merely a supplemental return, explanatory of the value of articles included under the "Unenumerated Head," and the countries whence the same are imported.

5. At the Bombay outports, import duty has been estimated alone on the trade from foreign states and settlements, whether native or European. The average value of such trade may be stated at 6,47,000 rupees, which, at 7 per cent., on the supposition that the same is carried on in foreign bottoms, would yield a revenue of - - *Rs.* 45,290

6. At the Bombay outports, export duty has been estimated on the entire export trade. This trade, as far as returns enable us to judge, appears to amount to 1,50,00,000 rupees. The duty on which, on cotton 1,00,00,000 rupees at 5 per cent., and other articles 50,00,000 at 3 per cent., amounts to - - - 6,50,000

Making a total revenue realizable at the outports, of - *Rs.* 6,95,290

These details are explained in appended Statement (C.)

7. The export duty from Bombay in foreign bottoms, may be estimated at its present amount, 14,200 rupees.

8. The total gross Sea Customs Revenue realizable under the revised Bengal Tariff, may be thus stated—

| | |
|---|---|
| At Bombay, import duty - - - - - - - - - | 11,63,019 |
| Ditto, foreign export duty - - - - - - - - | 14,200 |
| Bombay outports, foreign import duty - - - - - - | 45,290 |
| „ export duty - - - - - - - - - | 6,50,000 |
| Total Gross Sea Customs - - - *Rs.* | 18,72,509 |

9. It must be remembered that this sum includes, in the duty levied on spirits, a certain amount of abkaree, as the duty of 9 annas a gallon, equivalent to about 37 per cent. on brandy, and upwards of 100 per cent. on arrack; as the valuations fixed in the Bombay tariff would appear to include something more than mere Customs.

10. In the foregoing collections, moreover, no account has yet been taken of refunds as drawback, and which it is necessary to notice here.

11. Statement (D.) shows the amount value of articles re-exported from Bombay to places other than British Indian ports, the amount of duty originally leviable on such trade, and the amount of duty refunded on re-export, except in the case of nankeens. It has been assumed that re-exports had been imported at the lowest rates of duty, and in British bottoms, from a belief that it was better, in cases of doubt, rather to under-estimate than over-rate the amount payable as drawback.

12. No account has been taken of re-exports to British Indian ports, on the assumption that certificates would, in all such cases, be granted in preference to the payment of drawback on re-export, and collection of duty anew at the place of second import.

13. The amount value of this re-export trade is 85,59,051 rupees.

The amount of duty originally leviable, 3,74,810 rupees, of which sum seven-eighths refunded as drawback, would amount to 3,27,631 rupees.

This sum must accordingly be deducted from the gross Sea Customs Revenue, 18,72,509, thus reducing those collections to 15,44,878 rupees.

14. But a still further reduction must be made from the above sum, on account of cotton and of sugar, which are exported free to Great Britain and other specified countries, as in the foregoing calculations; the full collections of export duty on cotton from subordinate ports, and import duty on sugar from all places, whether in India or elsewhere, have been included, the whole of which would be refunded on export.

15. The amount would appear to be as follows, on cotton exported to Great Britain and Europe, to the amount of 38,05,500 rupees. The duty at 5 per cent. would be 1,90,275 rupees; on sugar re-exported to Great Britain, to the amount of 6,65,950 rupees; the entire import duty, of 23,396 rupees, would be refunded.

And on that re-exported to other countries, amounting to 16,15,500 rupees, seven-eighths of the import duty would be refunded, amounting to 49,472 rupees.

Making a total drawback on cotton and sugar amounting to 2,63,143 rupees,* which deducted from the above-mentioned Customs Revenue 15,44,878 rupees, reduces the entire Sea Customs remaining in the Treasury, without deducting charges, to 12,81,735 rupees.

| | |
|---|---|
| *Cotton | 1,90,275 |
| Sugar - - | 72,868 |
| | 2,63,143 |

16. By the amended returns of Bombay Customs, received from the Accountant-general of that Presidency, the entire collections under the existing system appear to be as follows:

| | | |
|---|---|---|
| Land Customs and town duty | 20,99,030 | |
| Sea Customs | 23,43,603 | |
| Total | | 44,42,633 |
| Deduct Drawback | | 4,89,657 |
| Gross collections after deducting Drawback | | 39,52,976 |

| | |
|---|---|
| Boat passes | 4,271 |
| Warehouse-rent | 410 |
| Anchorage fee | 5,514 |
| Passage-boats | 53,899 |
| Bhore Ghaut | 6,019 |
| Duty on ferries | 2,251 |
| Total | 72,364 |

17. In this amount are, however, included the following six items, boat-passes, warehouse-rent, anchorage fee, passage-boats, toll on the Bhore ghaut (a toll granted to a private individual for having opened the ghaut), and duty on ferries; none of these items are properly customs, and would be equally leviable, whether the Bengal tariff be or be not adopted; the average amount is - - - - - *Rs.* 72,364

which deducted from - - - - - - 39,52,976

leaves the sum of - - - - - - - *Rs.* 38,80,612

as the existing gross Customs Revenue Bombay, after deducting drawback, but including liquor and tobacco fees, which average 2,93,973 rupees per annum.

18. The Sea Customs, by applying the revised Bengal tariff, would produce, as above shown, exclusive of salt, only 12,81,735 rupees, to which must be added certain collections on account of inland frontier duty at the foreign settlements of Goa and Damaun; say 40,000 rupees, which would swell the gross receipts, deducting drawback, to 13,21,735 rupees. Some additional collections might also be effected, were the territories of the Hubshee and Angria treated as foreign European settlements, but such collections I have not estimated here.

19. The charges under the existing system are as follows:—

| | | |
|---|---|---|
| Land Customs | *Rs.* 2,45,555 | |
| Sea Customs | 2,73,060 | |
| | | 5,18,615 |
| This amount deducted from the net collections of | | 38,80,612 |
| Leaves a net customs revenue of | *Rs.* | 33,61,997 |

Under the revised system, the charges for sea customs would remain as at present - - - - - - - - - - - *Rs.* 2,73,060

Frontier chokies at Goa and Damaun, &c.; say - - - - - 7,000

*Rs.* 2,80,060

which, deducted from collections, 13,21,735 rupees, would reduce the net revenue to 10,41,675 rupees, which contrasted with the existing net collections, 33,61,997 rupees, shows a net loss of revenue in the Bombay Presidency, amounting to 23,20,322 rupees.

Calcutta, Customs Committee, 14 June 1836.

(signed) *T. J. Taylor*, Secretary.

(True copy.)

(signed) T. J. Taylor, Secretary.

Statement (A.) referred to in Para. 3, of Secretary's Note.

STATEMENT showing the Average Value of IMPORT TRADE at *Bombay*, from Places other than the Ports and Settlements of British India, together with the Amount of Duty leviable on the same, at the rates of the new Bengal Tariff.

| | Rate of Duty Per Cent. | Value of Trade, British Bottoms. | Rate of Duty Per Cent. | Value of Trade, Foreign Bottoms. | Amount of Duty in British Bottoms. | Duty in Foreign Bottoms. |
|---|---|---|---|---|---|---|
| Marine Stores: | | | | | | |
| British | 3 | 67,700 | 6 | | 2,031 | — |
| Foreign | 6 | 1,000 | 12 | 18,200 | 60 | 2,184 |
| Metals: | | | | | | |
| British | 3 | 19,97,700 | 6 | | 59,931 | — |
| Foreign | 6 | 2,69,500 | 12 | 2,01,350 | 16,170 | 24,156 |
| Tin: | | | | | | |
| Foreign | 10 | | 20 | 2,36,000 | 23,600 | — |
| Woollens: | | | | | | |
| British | 2 | 5,45,400 | 4 | | 10,908 | — |
| Foreign | 4 | | 8 | 2,300 | | 184 |
| Cotton Piece Goods: | | | | | | |
| British | 3½ | 59,69,000 | 7 | | 2,08,915 | — |
| Foreign | 7 | 6,10,000 | 14 | 43,000 | 42,700 | 6,020 |
| Alum | 10 | 39,000 | 20 | | 3,900 | — |
| Camphor | 10 | 64,000 | 20 | | 6,400 | — |
| Cassia | 10 | 2,74,000 | 20 | | 27,400 | — |
| Cloves | 10 | 1,61,000 | 20 | 19,000 | 16,100 | 3,800 |
| Coffee | 7½ | 6,00,000 | 15 | | 45,000 | — |
| Coral | 10 | 75,000 | 20 | 5,500 | 7,500 | 1,100 |
| Nutmegs and Mace | 10 | 71,000 | 20 | | 7,100 | — |
| Pepper | 10 | 42,000 | 20 | | 4,200 | — |
| Rattans | 7½ | 4,500 | 15 | | 327 | — |
| Tea | 10 | 2,00,000 | 20 | | 20,000 | — |
| Vermilion | 10 | 71,000 | 20 | | 7,100 | — |
| Wines and Liqueurs | 10 | 4,89,000 | 20 | 2,21,500 | 48,950 | 44,300 |
| Spirits | 9 annas p' gallon | 1,08,300 | 16 annas p' gallon | 63,100 | 50,049 | 43,834 |
| All other articles | 3½ | 96,34,250 | 7 | 11,75,800 | 3,37,197 | 82,256 |
| *Rs.* | | 2,12,93,350 | | 19,85,750 | 9,45,538 | 2,07,834 |

Total Trade — *Rs.* 2,32,79,100 — Duty *Rs.* 11,53,372

Sugar from Bengal and Konkan — 2,75,650 — Duty 9,647

*Rs.* 2,35,54,750 — *Rs.* 11,63,019

Calcutta, Customs Committee, 14 June 1836.

(signed) *T. J. Taylor*, Secretary.

(True copy.)

(signed) T. J. Taylor, Secretary.

Statement (B.) referred to in Para. 4, Secretary's Note.

STATEMENT showing the Value of IMPORTS at *Bombay*, from Ports other than the Ports and Settlements of British India, included under the head of Unenumerated Articles.—*Vide* Statement (A.)

| | Amount Value of Unenumerated Imports. | Total Amount Value of Unenumerated Imports. |
|---|---|---|
| IMPORTS IN BRITISH VESSELS. | | |
| Great Britain | 15,77,050 | |
| Ceylon | 36,250 | |
| Mauritius | 1,38,000 | |
| Cape of Good Hope | 4,500 | |
| New South Wales | 1,400 | |
| Penang and Eastern Islands | 4,69,250 | |
| China | 43,43,400 | |
| Africa | 2,96,250 | |
| Persian Gulf | 19,92,750 | |
| Cutch | 7,75,400 | |
| | | 96,34,250 |
| IMPORTS IN FOREIGN VESSELS. | | |
| France | 93,050 | |
| Rotterdam | 2,400 | |
| United States | 1,16,500 | |
| Brazils | 45,400 | |
| Goa | 1,73,300 | |
| Manilla | 7,45,150 | |
| | | 11,75,800 |
| | | 1,08,10,050 |

Calcutta, Customs Committee, 14 June 1836.

(signed) *T. J. Taylor*, Secretary.

(True copy.)

(signed) T. J. Taylor, Secretary.

Statement (C.) referred to in Para. 6, Secretary's Note.

IMPORTS from Foreign States at Subordinate Ports, *Bombay* Presidency.

| | Average Value of Imports from Foreign States at the several Subordinate Ports, Bombay Presidency. | RATE of DUTY. | AMOUNT of DUTY. |
|---|---|---|---|
| Surat | 1,70,000 | 7 per cent. | 11,900 |
| Tankavia | 1,30,000 | ditto | 9,100 |
| Broach | none | ditto | — |
| Bhowlearee | 53,000 | ditto | 3,710 |
| Dholera | 69,000 | ditto | 4,830 |
| Gogo | none | ditto | — |
| The Konkans | 2,25,000 | ditto | 15,750 |
| TOTAL | 6,47,000 | | 45,290 |

EXPORTS from Subordinate Ports, *Bombay* Presidency.

| | Average Value of Exports from Subordinate Ports. | RATE of DUTY. | AMOUNT of DUTY. |
|---|---|---|---|
| Surat | 24,21,000 | Three per cent. on all articles except Cotton, and Five per cent. on Cotton. | |
| Tankavia | 9,43,000 | | |
| Broach | 15,64,000 | | |
| Bhowleara | 17,23,000 | | |
| Dholera | 54,000 | | |
| Gogo | 3,55,000 | | |
| North Konkan | 38,00,000 | | |
| South Konkan, Bulsar, &c. — no Returns | 13,00,000<br>15,00,000 | | |
| | 1,36,60,000 | on Cotton | 5,00,000 |
| | 13,40,000 | on Sundries | 1,50,000 |
| TOTAL | 1,50,00,000 | | 6,50,000 |

Calcutta, Customs Committee, 14 June 1836.

(signed) *T. J. Taylor*, Secretary.

(True copy.)

(signed) T. J. Taylor, Secretary.

Statement (D.), referred to in Paras. 11 to 15, Secretary's Note, and Para. 5, Report No. V.

STATEMENT showing the Description and Value of GOODS RE-EXPORTED from *Bombay* to Places other than British Indian Ports; together with the Amount of Duty originally leviable on the same, and the Amount of Duty returned on Re-export.

| ENUMERATION of GOODS. | Amount Value of Re-Exports. | Rate of Duty. | Amount of Duty leviable on Import. | Drawback. | |
|---|---|---|---|---|---|
| Marine Stores | 5,750 | 3 | 172 | 7/8 | 150 |
| Metals | 3,49,400 | 3 | 10,482 | 7/8 | 9,172 |
| Tin | 57,350 | 3 | 1,720 | 7/8 | 1,505 |
| Woollens | 19,100 | 2 | 382 | 7/8 | 334 |
| Cotton Piece Goods: | | | | | |
| British | 29,51,506 | 3½ | 1,03,303 | 7/8 | 90,285 |
| Foreign | 46,000 | 7 | 3,220 | 7/8 | 2,817 |
| Cotton Twist | 1,33,250 | 3½ | 4,663 | 7/8 | 4,080 |
| Silk Piece Goods | — | — | — | | — |
| Alum | 4,800 | 10 | 480 | 7/8 | 420 |
| Camphor | 18,600 | 10 | 1,860 | 7/8 | 1,628 |
| Cassia | 1,64,800 | 10 | 16,480 | 7/8 | 14,420 |
| Cloves | 22,150 | 10 | 2,215 | 7/8 | 1,938 |
| Corals | 6,150 | 10 | 615 | 7/8 | 538 |
| Coffee | 5,42,600 | 7½ | 40,695 | 7/8 | 35,608 |
| Nutmegs and Mace | 10,050 | 10 | 1,005 | 7/8 | 879 |
| Pepper | 4,98,150 | 10 | 49,815 | 7/8 | 43,588 |
| Rattans | 9,475 | 7½ | 710 | 7/8 | 621 |
| Tea | 62,150 | 10 | 6,215 | 7/8 | 5,438 |
| Vermilion | 8,550 | 10 | 855 | 7/8 | 748 |
| Wines and Liqueurs | 54,950 | 10 | 5,495 | 7/8 | 4,808 |
| Spirits | 10,600 | | 5,300 | 7/8 | 4,637 |
| All other Articles | 34,03,670 | 3½ | 1,19,128 | 7/8 | 1,04,237 |
| TOTAL | 85,59,051 | | 3,74,810 | 7/8 | 3,27,631 |
| Cotton to Europe | 38,05,500 | 5 | | whole | 1,90,275 |
| Sugar to British Possessions | 6,65,950 | 3½ | | whole | 23,396 |
| Elsewhere | 16,15,500 | | | 7/8 | 49,472 |
| GRAND TOTAL | 1,46,46,001 | | TOTAL Drawback | | 5,90,774 |

Calcutta, Customs Committee,
14 June 1836.

(signed) *T. J. Taylor*,
Secretary.

(True copy.)
(signed) T. J. Taylor, Secretary.

MINUTES, No. 1 to 4, to accompany Report No. V.*

No. 1.

Bombay Customs.

1. I REGRET that I am compelled to dissent from the opinion of my colleagues as to the tenor of the Report we are required to submit upon the applicability to the other two Presidencies of the tariff promulgated for that of Bengal.

2. It appears to me that the new tariff cannot be considered applicable to the Sea Customs if it is likely to occasion a reduction in that branch of the Customs revenue, and I think, when we find that such a result is to be apprehended from it, that we ought to declare it relatively inapplicable, and in doing so, to show with what modifications it may be made applicable, in other words, capable of yielding a revenue the same in amount as is now obtained from that branch.

3. I submit that the term applicability may refer to local circumstances as well as to the state of the revenue, and in both senses I consider the schedules inapplicable; it is unsuited in some respects to the local peculiarities of the Bombay Presidency; since the revenue derived from the outports is in a great measure distinct from that realized at Bombay itself (though often levied on the same articles), whilst the insular situation of Bombay precluding the export of goods except such as have been originally imported by sea, renders the levy of an export duty at Bombay impossible, without charging the same goods with duty twice over, contrary to the spirit of the new Act.

4. The only duty at Bombay of the nature of an export duty, is that charged on exports on foreign bottoms 3'5 per cent., but this is rather a supplemental duty, calculated to make the original import duty of 3½ per cent. equal to the amount leviable generally on foreign bottoms, 7 per cent., than an export duty strictly so called; it averages only 14,200 rupees.

5. Under these circumstances it becomes necessary to consider the effect of the Act at Bombay itself, distinct from its effect at the outports.

6. The rates of import duty prescribed for the enumerated articles in Schedule (A.) from No. 7 to No. 16 inclusive, being applicable to the trade of India generally, and calculated as well to raise an equivalent for existing burthens as to put an end to the exclusive advantages which British goods have hitherto most unjustly been permitted to enjoy in the markets of India, I consider entirely suited to the Bombay Presidency.

7. Those upon the enumerated articles from No. 20 to 32, are much higher than have hitherto been paid at Bombay, but as they are levelled at luxuries, and also calculated to aid in affording an equivalent, and are no higher than have for many years been exacted at Calcutta, and consequently borne by the consumers of such articles on this side of India, there is no reason why the consumers of Western India should not bear the same rate of duty as is paid here.

8. The rates of import duty on unenumerated articles being as nearly as possible the same as are now levied at Bombay itself, I consider Schedule (A.), (if separated from the provision respecting drawback in the notes annexed thereto, which I shall hereafter show to be quite unsuited to that port), entirely and immediately applicable to the port of Bombay.

9. But here its applicability in its present state ceases, since it does not sufficiently provide compensation for the Sea Customs of the outports, averaging 11,15,000 rupees, distinct from the customs of Bombay, which yield a further sum, 9,77,000 rupees, including the liquor and tobacco duty.

| | *Rs.* |
|---|---|
| | 11,15,000 |
| | 9,77,000 |
| | 20,92,000 |

10. To cover the aggregate Sea Customs of the Presidency as I have assumed them, at 20,92,000 rupees, or at the Committee's estimate, excluding liquor and tobacco, 2,93,000 rupees; fees, 20,50,000 rupees, the schedule of imports and foreign exports will only give 10,71,219 rupees (excluding liquor duty, 1,06,000 rupees), bearing a deficit of 9,78,781 rupees, I have shown that no export duty can be enforced at Bombay.

| | |
|---|---|
| 20,50,000 | |
| 10,71,219 | |
| | 9,78,781 |

11. The realizations at the outports under Schedule (B.) upon exports from them, whether to Bombay or other places, we have in our calculations assumed to yield 6,95,290 rupees, calculating cotton at 5 per cent. (which is about 9 annas per new maund), and all other articles at 3 per cent.

| | |
|---|---|
| | 6,95,290 |
| | 2,83,491 |

| | *Rs.* |
|---|---|
| Net Land Customs | 9,32,214 |
| Town Duty | 5,63,614 |
| Deficit | 14,95,828 |
| Sea Customs | 2,73,491 |
| | 17,69,319 |

12. This gives a deficit of about 2¾ lacs in the existing Sea Customs of the Presidency, in addition to the Land Customs and town duties, leaving the total loss of the Presidency, about 17,70,000 rupees, by adoption of the new tariff.

13. The Committee agree in assuming the charges under the new system likely to be the same as under the old one, so that the loss will remain as I have stated it, whether the gross or net revenue be looked at. Under this view I am compelled to the opinion, that the tariff adopted for Bengal is inapplicable, because as appears to me, it was never contemplated to adopt any plan but such an one as would in part make up for the loss of the Land Customs, whilst it preserved the Sea Customs of the Presidencies at their present amount.

14. I have thus far considered the question as one of actual realization, but when the deductions from them which may be expected under the extended drawback system of the new tariff are taken into account, it will appear quite ruinous in a financial point of view.

15. Up to the present time drawback (which was altogether unknown in Bombay until 1815) is granted only on the trade with Great Britain, and that (always excepting cotton, indigo, hemp and sunn) only to an amount which shall leave 2½ per cent. in the Treasury.

16. This limited drawback will, by the new Act, be extended to a refund of 7-8ths of the whole duty originally levied on import when the goods are re-exported, not only to Great Britain, but to any part of the world.

17. Even admitting, as seems reasonable, that the drawback on re-export is to be confined to sea imports from places beyond the Honourable Company's dominions, and that goods imported at one port in the Honourable Company's dominions, and subsequently re-exported to another port in the same, are not to have drawback of 7-8ths, but are to be, as now, furnished with a certificate in exemption of further duty on import, still the refund of 7-8ths at Bombay, on re-exports to all places, "Forth of India," will amount to a very considerable sum, involving 7-8ths of the import on goods from China and the eastward re-exported to Great Britain, to Persia, Arabia, Scind, Cutch, &c., and goods from Persia, Arabia, and re-exported to Great Britain, the eastward, &c.

18. From my former remarks on the impracticability of imposing a duty on export at Bombay itself, it will be apparent that the export Schedule (B.) must be made to apply to the outports, whence every article, the produce of the country, whether enumerated or unenumerated, must be in the first instance exported, in order to reach Bombay or other places, and having already paid export duty, could not be again subjected to duty at Bombay, even if destined for that port.

19. The rates of Schedule (B.) however are far too low to give the amount of revenue now realized on the produce of the Presidency, and although the exaction of duty, both on import and export, as is done in many instances, is improper, and has been long doomed to reform, I conceive that the general export duty of the Presidency must be fixed at a higher rate than that laid down in the Schedule.

20. I have before stated, and the statement accompanying this report will show, that an export duty of 3 per cent. at the outports, with 5 per cent. (or 9 annas per maund) on cotton (the trade being carried on in British bottoms), will only yield a revenue of 6,95,290 out of 9,78,781 rupees, still leaving a deficit of 2,73,491 rupees.

21. If my assumption is correct. that the existing Sea Customs revenue is to be secured by the new plan, in addition to partial compensation for the Land Customs, a higher rate must be sought, and for this purpose the export duty ought not to be lower than 5 per cent. on cotton and all other articles; this, upon 1,50,00,000 rupees, the value at which I have estimated the entire exports from the outports of the Presidency, including cotton, would give a revenue of 7,50,000 instead of 6,50,000 rupees, and the deficit be 1,73,491 rupees instead of that above shown.

*Rs.* 1,73,491.

22. This rate, 5 per cent., was fixed by the Bombay Customs Committee, and with the additional information elicited by ourselves, I still think it a proper and moderate one.

23. It is indeed much below the rate of duty exacted on one portion of the coast, viz. between Damaun and Bombay, but the excessive weight of the Customs

in

in that district, both land and sea, has been loudly complained of, and considerable reduction of the Customs there is peremptorily required.

24. The difference of about 1,73,000 rupees will partly be compensated by a strict attention to valuation by the Customs officers, and I believe that the same amount of revenue can immediately be raised by the new tariff, enhanced as I have suggested, that is gained in the Sea Customs under the old one.

25. The valuation which I have assumed for the exports from the outports, 1,50,00,000 rupees, is likely to increase progressively, owing to the great demand for cotton, and the consequent spread of its cultivation, both in our own districts and in those of our neighbours, the whole of which must pass through our ports to reach Bombay, and add to the Customs revenue. The general improvement in the state of the country warrants our anticipating a larger increase in production of all kinds of produce, when the export duties are lowered even to 5 per cent.; we have, in support of this opinion, the remarkable fact that the Land Customs in the province of Goojurat are as productive in the present year as they were two years ago, although the transit duties on cotton and cattle, and a few minor items of revenue, have been since abolished.

26. Indeed, the difficulty in which we are placed by having so large an amount of revenue to make up in each branch of the Customs, is owing to the great increase which has taken place in that portion of the resources of late years.

27. The whole of the Land Customs and town duties of the Presidency, averaging 14,95,000 rupees revenue, remaining to be provided for.

28. In seeking an equivalent, we find that the Bombay Customs Committee always contemplated an enhancement of the duty on the salt manufacture of the Presidency, to be taken at the place of manufacture, and at such enhanced rate as should afford a surplus sufficiently large to compensate for the transit duties now levied from that article on its passage through the country.

29. The papers hitherto received from the Bombay Government do not enable me to say with perfect certainty what this surplus may be. The Bombay Committee assumed it at 3,00,000 rupees, the papers just received rate it much higher; but, assuming from these latter, that the present revenue derived from salt, both at the pans and in transit, is about 5,00,000 rupees, and omitting the estimates of the new duty in the inland districts, those of the produce of the zillahs where salt-works exist, would give a revenue of about 9,00,000 rupees, showing a surplus of 4,00,000 rupees; we may, therefore, safely adopt the Customs Committee's former estimate of 3,00,000 rupees, as that likely to be realized.

30. I would further propose adopting the plan of the Bombay Customs Committee, to the extent of charging upon imports of unenumerated articles at subordinates, whether from Bombay or from the ports of another Presidency, $1\frac{1}{2}$ per cent., making the aggregate duty on the articles imported 5 per cent. instead of $3\frac{1}{2}$, the rate of Schedule (A.)

31. And I would make the import duty at subordinates on unenumerated articles coming from foreign ports 5 per cent.

32. The effect would be to leave Bombay on its present scale of low entrepôt duties $3\frac{1}{2}$ per cent., and to put the subordinates under an uniform system of 5 per cent. in import and export.

33. This would not affect the enumerated articles of import in Schedule (A.), which already highly taxed, or considered by the Government of India entitled to special protection, cannot be further subjugated to duty in India.

34. These rates I consider moderate, whether as bearing on the consumption in the country of foreign articles, or on the produce and manufactures exported elsewhere. They are in all cases much lower than the Presidency has hitherto borne, and as low as the state of the revenue will admit of their being reduced to.

35. I have no doubt that nearly 3,00,000 rupees would be secured by the additional $1\frac{1}{2}$ per cent. at the outports. The loss in the revenues of the Presidency still apparent above at my own showing, I have the best authority for stating can only be temporary, and will be fully covered in three years at furthest, by improvement

improvement of the land revenue under freedom of transit for produce of all kinds.

| | |
|---|---|
| N. Konkan | 2,29,746 |
| S. Konkan | 27,480 |
| | 2,57,226 |
| Poonah | 2,60,297 |
| Ahmednuggur | 1,48,991 |
| Candeish | 1,53,041 |
| | 8,19,555 |

36. The Commissioners of Revenue for the Presidency of Bombay, whose experience in every branch is undoubted, and whose jurisdiction extends over the Customs as well as the land revenue of the Presidency, has favoured me with his opinion, that the abolition of the transit duties throughout the Dekhan, Candeish, and the Konkans, would be covered and more than covered in three years, by the improvement of the land revenue. An extract from his letter and its accompaniments, I have the honour to annex to the minute, and will merely add, that the Land Customs of the district in question amount to eight lacs of rupees, as shown in the margin.

(signed) *H. Borradaile.*

Calcutta, 25 June 1836.

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No. 2.

I CANNOT agree with Mr. Borradaile, that the large loss of revenue which the statements exhibit, as the probable result of introducing the new Act at Bombay, is a sufficient ground for stating it to be inapplicable; I think there can be no doubt whatever that the new system, if applied to the whole of India, and if accompanied with a simultaneous abolition of all transit and town duties, would be productive of immense benefit to the trade, general prosperity and comfort of the country. It is for Government to determine, having a fair and undisguised statement before them, showing the most unfavourable financial result of the measure, whether, to accomplish these great benefits, the revenue should be put in jeopardy to the extent assumed.

The Committee have already placed before Government the objections which appeared to them to attach to the new system, but the passing of the Act has, as I conceive, disposed of these objections; and it appears to me, that the only choice now lies between a large loss of revenue, or the maintenance of different systems in the several Presidencies; Government alone can make the choice, but the Committee have expressed a strong opinion on various occasions against the separation of the Presidencies.

If we had to consider the case of Bombay alone, I think Mr. Borradaile's scheme would be better than that now in force here; but would it be applicable to Madras and Bengal?

The state of the question appears to me to be this: Government have pronounced the new system to be applicable to Bengal, and the Committee are called upon to say, whether it is equally applicable to Madras and Bombay; I can see no reason for saying that it is not equally applicable; the financial part of the subject being submitted for the consideration of Government, who alone can determine it.

(signed) *W. R. Young.*

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No. 3.

I CONCUR in the views taken by Mr. Young.

(signed) *W. Babington.*

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No. 4.

I ENTIRELY concur with Mr. Young and Mr. Babington. The present state of the question seems to me to be as follows: a commercial system highly conducive to the prosperity of the country has been granted to Bengal and Agra; and justice and policy demand that the system should be extended to Madras and Bombay, if the state of the public finances admits of its being done.

As far as the circumstances and interests of the Presidencies of Madras and Bombay are concerned, the Bengal plan is not only applicable, but is in an eminent degree favourable to them.

The only doubt is, whether, in the present state of the finances of India, the Government would venture upon such a suspension of revenue (for the amount remitted

remitted would certainly return to the Treasury in a few years as increased land revenue, and in other forms) as the extension of the Bengal system would require, and this doubt a Customs Committee is not competent to solve; in short, the question is, at its present stage, not a commercial, but a financial one, and can be decided only by the Government, which has the finances of the country, with all the demands upon them, before it.

It will be time enough to take the circumstances adverted to in Mr. Borradaile's minute into consideration, when the Supreme Government shall have declared that it cannot afford to put the Presidencies of Madras and Bombay on a footing of commercial equality with those of Bengal and Agra. The sum which must be remitted, in order to effect this object, is, as we have shown, about 60 lacs of rupees a year. This, therefore, is the additional burden borne by Madras and Bombay, over and above what is borne by Bengal and Agra. If the whole can be remitted, there will be nothing further to be desired; but if not, it will be our duty to point out the manner in which the amount retained can be levied with the least injury to the country, until the time arrives (and I hope it is, at any rate, not far distant) when all commercial restrictions in the interior having been abolished, equal and moderate duties may be established in every part of the coast of British India.

The superior advantages offered by the port of Bombay have led to a higher entrepôt duty being levied there than anywhere else in India. This duty is very productive, and I am of opinion, that its retention would not trench upon the equality which it is so desirable to establish among all the British Indian ports; I understand an entrepôt duty to be, in principle, an equivalent for the use of an entrepôt, and its equality to consist in the duty levied at one entrepôt bearing the same proportion to the advantages afforded by that entrepôt, as the duties levied at other entrepôts do to the advantages offered by them. It is no answer to this to say, that it would lead to interminable shades of difference, and that it would be impossible exactly to proportion the duty to the benefits conferred, because Bombay, as an entrepôt, stands out from all the other ports of India, having greatly the advantage of them in this respect. If the present system of levying a duty from the trade which uses Bombay merely as a place of deposit be adhered to, the deficit will be diminished between two and three lacs of rupees.

(signed) *C. E. Trevelyan.*

Calcutta, 29 June 1836.

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## MINUTES, No. 5 to 7, to accompany Report No. V.

### No. 5.

1. I THINK it incumbent on me to record my dissent from the resolution of the Committee to retain in our Financial Statement for the Bombay Presidency, the item of 2,93,000 rupees, yielded by "Liquors and Tobacco Fees," as a component of the Sea Customs revenue, particularly since further explanation of the question is precluded by the determination of the majority of the Committee, that it is unnecessary for us to send in a separate Report upon the present state of the Customs revenues of the Madras and Bombay Presidencies, although we, in our First Report upon the Customs System of India, proposed to make the financial question the subject of our Second Report. Bombay Accounts, Financial Report.

2. The item in question is comprised in the amended Return from the Accountant-general of Bombay as an item of Sea Customs, but may, with as much propriety, be left out of our calculations of the Sea Customs revenue, as the minor items which the Committee have resolved to reject from that Return, as realizable under the old as well as under the new system.

3. In the Abstract of the Sea Customs revenues of Bombay, prepared by me from the six years' accounts obtained here, and in that prepared by me from the Accountant-general's amended Return, this item was entirely omitted, and the two Abstracts, leaving it out, will be found to agree within 50,000 rupees. Minute of 25 March 1836 Minute of 4 April 1836.

4. I propose to show that the item ought to be left out of our estimate of Sea Customs, both present and future; first, because we cannot tell which of the two very unequal estimates of its amount is correct; secondly, because it is not a Customs but

but an Excise or special duty, and would be realized equally under any Customs system; thirdly, because the including it as Sea Customs will add a further deficit of 1,62,000 rupees to the enormous one of 16,50,000 rupees assumed by us, and which, under the peculiar circumstances in which the Bombay Presidency stands, viewed and treated as a burthen and a drain on the resources of India, I cannot join in recommending, at the risk of being made personally responsible to my own Government (as I should justly be), for permitting such a result to occur, without bringing the fact fully and fairly to the notice of the Government, who have to weigh the plans submitted by us.

5. The item stands in the two sets of accounts as under:

| | Accountant-General's Amended Return; Liquor and Tobacco Fees. | Accountant-General's Returns framed here; Excise. | Difference. |
|---|---|---|---|
| | *Rs.* | *Rs.* | *Rs.* |
| A. D. 1829–30 - | 2,08,337 | 1,16,409 | |
| „ 1830–31 - - | 1,78,029 | 83,815 | |
| „ 1831–32 - - | 3,08,972 | 1,22,589 | |
| „ 1832–33 - - | 3,19,229 | 1,15,306 | |
| „ 1833–34 - - | 3,56,073 | 1,33,003 | |
| „ 1834–35 - - | 3,93,200 | 1,52,174 | |
| TOTAL - - - | 17,63,840 | 7,23,296 | |
| AVERAGE - - - | 2,93,973 | 1,20,549 | 1,73,424 |

6. The secretary, against this item of 2,93,973 rupees, sets about 1,06,934 rupees as the sum realizable on import of spirits at Bombay at the new rate of 9 annas a gallon; and since the present spirit duty in the island of Bombay at 8 annas a gallon, and the import Sea Customs at 3½ per cent., is about equal to the new duty, and the "Excise" (by which I understand the spirit duty on the island of Bombay), in the above quoted accounts, averages 1,20,549 rupees, I am willing to admit that what he has estimated for the spirit duty is not very far wrong. But I contend that the fairest as well as the most obvious course for the Committee to pursue in sending up a statement of Sea Customs for that Presidency, would be to leave the item out of both sides of the account.

7. Admitting that 1,20,549 rupees exhibits the present, and 1,06,934 rupees the expected revenue from the new duty on spirits at Bombay, we have to account for the tobacco at Bombay, and for 1,73,424 rupees, the difference shown above between the two statements by the Accountant-general. We have not the means of accounting for this extraordinary difference. The produce of the special duty on tobacco at the outports is under.

8. We have no return of what it yields at Bombay, but we know that it is in excess everywhere of the regular Sea Customs, being 8 annas per Bombay maund at the out-ports, and 3 rupees per Bombay maund at Bombay itself.

9. The Bombay maund being 28 lbs., and that of Calcutta, 82 lbs., we may safely say, that the existing duty is equal in the first case to 23½ annas, or 1. 7½, in the second to 8 rupees 12 annas, upon a quantity which, by the new tariff, would in either case pay 4 annas.

10. If the present duty of 1. 7½ at the outports yields 1,00,000 rupees, a duty of 4 annas will yield a loss of five-sixths of that sum. What it gives at Bombay we do not know, but the produce of the new duty will be only 1-35th of the present.

11. By throwing the revenue now derived from the special duty on spirits and tobacco in the Bombay Presidency into the sum total of Sea Customs, and declaring

ing the duty of the new tariff to be applicable thereto, we at once deprive the Bombay Government of a portion of their already insufficient resources (devised in 1827 expressly for the purpose of aiding them), without, as I conceive, sufficient warrant or necessity for so doing.

'12. We are not borne out by our instructions in touching any special revenues distinct from Customs. The wording and working of the Bombay Regulations take this extra duty on spirits and tobacco out of the Customs revenue, since it is throughout declared to be exacted " in addition to the established Customs of the port."

Reg. XXI. of 1827, Sect. 46 and 48; Reg. XXXIII. of 1827; Reg. XV. of 1828.

13. It is urged that the duty levied at Bombay on spirits is a town duty, but the abolition of the town duty at Calcutta has not been allowed to affect this spirit duty; and that of Bombay is known to have been originally a police tax, as that is still, and the old duty of Bombay, levied as a town duty, was abrogated by Regulation XXXIII. of 1827, Section II., Clause 7, and reimposed by the succeeding clause of the same section as a general duty, and distinguished from the Customs, by the 3d clause declaring it to be in addition to Sea Customs.

14. I cannot think the loss necessary, because the new tariff, so far from covering the Sea and Land Customs of the Presidency, will not afford an equivalent for the present Sea Customs without this item of liquor and tobacco fees; and however favourable the circumstances of the Madras Presidency may be for reduction of the burthen which oppresses it, the Bombay Presidency, as labouring under an insufficient revenue, is not in a position to surrender any source of revenue unconnected with the Customs.

15. I conclude by expressing my opinion, that in order to exhibit a correct statement of the existing Sea Customs of Bombay, distinct from those special and other items of revenue which may and will be realized under any system, we ought to omit this item of " liquor" and " tobacco fees," and in order to exhibit a correct estimate of what the new tariff is calculated to yield, we ought to omit all calculation of the duty on the same substances at the new rates.

(signed) *H. Borradaile.*

25 June 1836.

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No. 6.

It appears to me that the question, whether the Regulation XXI. of 1827, and XXXIII. of 1827, of the Bombay Code, would or would not be abrogated by the introduction at that Presidency of the new Act and tariff, is extremely doubtful; the wording of those Regulations leaves it very uncertain whether the duties they impose are Custom duties or special duties.

(signed) *H. Babington.*

29 June 1836.

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No. 7.

Whatever causes may have led to the imposition of these duties, and in whatever manner they may be designated in the Bombay Regulations, they are now Sea Customs duties. They are levied on the import of spirits and tobacco by sea, and that without any distinction as to whether those articles are consumed at Bombay, or are sent for sale in the interior; if, therefore, Bombay is to be put on the same footing as Bengal, the duties on spirits and tobacco must be levied there according to the Bengal tariff.

As far as the present question is concerned, I cannot see any ground for making a distinction between these duties and any other part of the existing Bombay system. If the Government can afford it, Bombay ought to have the same commercial advantages as Bengal. If it cannot, then it will be necessary to consider how that portion of the additional burden now borne by Bombay which cannot be remitted, may be adjusted, so as to press in the least injurious manner upon the industry of that Presidency. We should then have to determine whether an additional duty on tobacco would be a proper mode of making up a portion of that amount. I am disposed to think it would. Indeed, a much higher rate of

import duty on tobacco than that imposed by the Bengal tariff, might, in my opinion, be demanded in all the ports of India. With regard to spirits, it appears that the Bengal duty is about equal to the excise and import duty on that article taken together.

(signed) *C. E. Trevelyan.*

29 June 1836.

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## REPORT VI.

From the Committee for Revising the Customs and Post-Office Regulations in India, to *H. T. Prinsep,* Esq., Secretary to Government of India, General Department.

Sir,

Referring to the 8th paragraph of your letter of instructions in this department, No. 74, of the 31st August last, we have now the honour to acquaint you, for the information of the Right honourable the Governor-general of India in Council, that, in consequence of the manner in which the Inland Customs of the Madras Presidency have been let to farm in almost every instance, under the authority vested in the Board of Revenue, by section III. Regulation V. of 1821, of the Madras Code,* viz., including in one lease, and in one specified sum, the general inland duty on goods passing through or consumed within the several collectorates of that Presidency, and the duties collected on the frontiers of foreign native states, and also of the manner in which the accounts of the Sea and Land Customs revenue have been mingled with each other in many cases, we should have found it quite impossible to make a classification of the inland duties, as regards the revenue derived from each, in the mode pointed out in your letter now under reply, even without the additional difficulty created by the circumstance of the town duty on the five enumerated articles of Regulation V. of 1812 (betel, tobacco, ganjah, bang and godauk), being usually leased to the same party as the general inland and frontier duties.

2. A separate bidding is, it is true, made in most cases for the produce of the five town duty articles; but as this sum necessarily forms part of the farmer's general calculation, and the collections on them are made by the same servants as the other inland duties, the charges of realization are of course less than they would be if the town duties were collected by a separate establishment, and the amount at which these duties are valued in the farmer's lease does not, in consequence, afford a safe criterion from which to judge of their probable value after the other internal duties are abolished.

3. But this is not all, for to the impediments already mentioned, we must add the further one of the variety of classifications assigned to the several inland duties in the accounts rendered to us by the different Collectors and the Accountant-general; and the difference also between the sums realized under each head of revenue, as shown in the accounts in question.

4. Under these circumstances, the Governor-general in Council will, we trust, acquit us of all backwardness in the discharge of our duty, and fulfilment of his wishes, when we state that it is entirely out of our power to submit any classification of inland duties, inclusive of value, on which the slightest dependence could be placed by Government.

5. But as we gather from the general tenor of our recent instructions, that some notice of the character and effect of the several classes of duties now in force in the Madras territories, in their general or local application to the trade of that Presidency, will still be acceptable to his Lordship in Council, notwithstanding our inability to afford that information in respect to the fiscal results of each which his Lordship desires to receive; we beg leave to submit the following observations on that separate portion of the subject generally referred to us, for the further information of Government.

6. The

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* Section III. Regulation V. of 1821.—"The rents shall be granted inclusive or exclusive of the duties collected on the frontier of foreign European states, and of the duties levied under Regulation VI. of 1812 (*i. e.* the duties on betel, tobacco, ganjah, bang and godauk) as the Board of Revenue may direct."

6. The Madras Customs imposts may be classed under the heads of:

1. Sea duties.

2. General inland 5 per cent. duties.

3. Eight per cent. duty on nearly every article of consumption imported by land into the town of Madras or the surrounding villages, or produced or manufactured or sold within them; special duties on piece goods from 3 to 16 per cent. according to quality; and duties on areca-nut from 12 to 20 per cent., also according to quality.

4. Town duty, of from 50 to 100 per cent. on betel-leaf, tobacco, gunja, bang and godauck.

5. Special sea duties and hawlut duties in the provinces of Canara and Malabar.

6. Three per cent. duty on grain exported by the land frontier into native states, or foreign European settlements.

7. Eight per cent. duty on cotton and cotton thread exported by the land frontier into the territories of native powers.

8. Sixteen per cent. duty on goods passing by land from the Company's territories into the settlements of foreign European nations, or *vice versâ*, from such settlements into the Company's territories.

7. (Class 1 and 2.) The Sea Customs and general inland 5 per cent. duty have already been fully reported upon, and no particular notice of them is required at present; but as it appears to be the object of Government to obtain from us a comparative sketch of the relative degrees of oppressiveness of the several Customs imposts, we may take this opportunity of remarking, that the general 5 per cent. duty, with reference to the mode and extent of its operation, is by far the most objectionable of them all.

8. (Class 3.) The Madras land duties are levied at the town of Madras and the surrounding villages on all those articles which, in the interior, are subject to 5 per cent. duties. The tariff valuations on which these duties are levied, are also higher than those of the interior. Goods accompanied by a certificate of the inland duty having been paid upon them, receive credit for the same, and are charged the difference of the inland and Madras duties calculated on the Madras tariff valuation.

9. The gross revenue derived from these duties, from Fusly 1231 to 1244 inclusive, according to statements compiled from the detailed ones furnished to the Committee by the Collector of Land Customs at Madras, in the month of April last, was rupees two lacs twenty thousand nine hundred and ninety (2,20,990) per annum.*

10. The character of this impost is exactly the same as that of the general inland 5 per cent. duties, but besides its being liable to all the objections which can be urged against the inland duties, except as to the extent of its operation, it is further objectionable on account of its greater weight, its partial operation, and the annoyance it occasions by entailing the necessity of a second adjustment of duties on all goods imported from the interior, and the heavy charges which, owing to local circumstances, attend its collection. These imposts are not rented.

11. The relief afforded by their abolition would be very imperfect, unless it were united with the abolition of the town duties on the five articles which are levied at Madras, as at other large towns in the interior, for if the Madras land duties were abolished, and the town duties retained, the machinery employed for their collection would most assuredly bring the whole trade and consumption of Madras and its neighbourhood under contribution; authority to search confers the power of universal exaction, but if revenue is to be realized, that authority could

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* Collected on general goods - - - - - - - 88,918
On piece goods with rowannahs - - - - - - 1,00,996
On piece goods without rowannahs, or wove in the collectorate 31,076

2,20,990

could not be withheld from the officers employed in the collection of the town duties.

12. Should the Madras land duties be abolished, while a strong town duty establishment is maintained for the search of all merchandize, baggage and passengers, though revenue would have been sacrificed, little advance would be made in the work of relief.

13. Again, if an equivalent could be found for the produce of the Madras land and town duties, which together amount to about six lacs eight thousand and fifty-nine rupees (6,08,059) gross revenue, or five lacs seventy-five thousand one hundred and seventy rupees (5,75,170) per annum net revenue*, the result of their abolition would be that the most wealthy part of the community, the residents in Madras, would be relieved not only from a general tax imposed upon the poor inhabitants of the interior, but also from a consumption tax on five articles of luxury, which would continue to be levied in towns of comparative insignificance.

14. (Class 4.) The town duties are duties of about 100 per cent. (the rate varies in different districts) on the five articles of betel-leaf, tobacco, ganja, bang and godauck. They are levied at the town of Madras and the principal towns in the interior; in several† districts they are levied at every Customs chokey throughout the district.

† Madura, Trichinopoly, Tanjore.

15. Two districts‡ only are free from them; these duties are in addition to the general five per cent. to which the five articles are likewise liable. As they are considered as consumption duties, no drawback of the five per cent. duty is allowed.

‡ Malabar, Canara.

16. As these duties are generally farmed, as mentioned in our first paragraph, to the same individuals who rent the general inland duty, and who are specially exempted from producing their accounts, there are no means of ascertaining what they yield. The charges of collection too are equally unknown, both from the circumstance of the want of accounts, and from that of the same establishments being employed, as we have also noticed in paragraph 1, in the collection of the town duties as are employed in that of the general inland duties. On both these points there are no grounds on which to form an opinion but the statements of the renters, which are manifestly false; they invariably report their collections to be far below the amount for which they rent the duties.

17. As long as the general inland duties are retained, little relief would be afforded by abolishing town duties; but if the general inland duties were abolished, the effect of retaining the town duties would probably be much the same as that produced by the imposition of town duties in 1803, when the country at large was free from Customs duties, viz. the desertion of the towns; for though at first sight there appears no ground for supposing that a duty confined to five articles of luxury would produce the same effects as the general town duty imposed in 1803, it is to be remembered, that such is the nature of these imposts, and such the character of our native servants, that when a chokey is established, though for the purpose of levying duty on a single article only, it not only brings the whole trade of the country in transit under contribution, but subjects every passenger to search and detention. It is every one's interest rather to bribe the Customs officer, than to submit to the annoyances which they have a legitimate right to exercise. The imposition of Customs duties upon the country at large has taken away the inducement to desert the towns which existed in 1803; for though an extra duty is imposed on the towns to which the inhabitants of the country are not legally subjected, yet, as it is not the legal§ amount of the duties nearly

*See* paras. 181 and 182 of Report No. 1, on Customs, dated 27 January 1836.

| | | *Rs.* |
|---|---|---|
| * Madras Land Duties, *vide* para. 9 | | 2,20,990 |
| Collected on areca-nut | 57,465 | |
| On betel, tobacco, ganja, opium and godauk | 3,29,604 | |
| | | 3,87,069 |
| | | 6,08,059 |
| Deduct charges of collection, per annum | | 32,889 |
| | | *Rs.* 5,75,170 |

§ How very little of the grievance of the Customs duties consists in the duties themselves, may be inferred from the comparatively flourishing condition of those districts in which the town duties are levied generally, instead of being confined to the towns.

nearly so much as the exactions of the Customs officers, which it is desirable to escape; and as these would not be escaped by retiring into the country, no adequate advantage would be derived by the removal. But if the country at large were cleared of the Customs officers while they continued to exercise their authority in the precincts of the towns, the inducement to quit the towns would become even greater than it was on the introduction of the town duties in 1803; for the Madras manufactures having of late years been nearly ruined, the towns are not now inhabited by a class of people so interested as the manufacturers were in continuing to reside in them. As marts of commerce, the towns in the Madras territories, which are small in size, do not hold out to the mercantile part of the community any advantages which counterbalance the annoyances which would arise from dwelling in a spot surrounded by a cordon of chokeys, supposing those annoyances might be avoided, which they cannot at present, by a retreat into the country. As long as chokeys are maintained at the towns for the collection of the general inland duty, little relief would be afforded by the abolition of the town duties; and again, little advantage would accrue to the revenue from the retention of the town duties after the abolition of the general inland. The two imposts appear to be bound up together. Suffering, as the Madras ryots are, from the great reduction that has taken place in the price of grain since the fixing of the land assessment, it would not appear to be the policy of the Government to impose or continue any taxes, the effect of which is to discourage the formation and extension of markets for agricultural produce.

18. The expediency of commuting the town duties, in some instances, for an excise on the articles when brought to market, and in others for a higher assessment on the crops, has engaged our attention; so many questions, however, arise requiring reference, both to the local officers and the records of the Madras Government, that we consider it would be impossible to arrive at a satisfactory conclusion within any reasonable time, if, situated as we are, we could ever arrive at it at all. The imposition of local and partial taxes is a subject which the local authorities are most competent to deal with. The commutation of the duties on tobacco and betel-leaf for a higher assessment on the crops, may possibly be feasible, but the land assessment in the Madras territories being already far higher than in Bengal and Bombay, a considerable addition to it appears neither fair nor expedient.

19. (Class 5.) The particular duties and hawlut duties of Canara and Malabar are classed together, as imposed on nearly the same articles, but they differ in their character.

20. The particular duties of Malabar are sea export duties, of from 10 to 15 per cent., imposed on the tariff valuation, on betel-nut, cardamums, cinnamon, cassia, pepper and sandal-wood.

21. In Canara, both hawlut duties and particular sea export duties are levied on the same articles that are subject to particular duties in Malabar, with the exception of cinnamon and cassia, which are not produced in the former district. The hawlut duties are levied on export of the above articles, either by sea or by the land frontier. In the former case, a particular sea export duty is levied in addition. Annexed is a statement of the rates of duty, showing the hawlut duty to be from 5 to 30 per cent., and the sea duty from 5 to 10 per cent.* The tariff valuation (in one article at least, betel-nut) is excessive. The Collector reports the selling price of betel-nut to be from 14 to 18 rupees, while the tariff valuation is 40 rupees, making the selling price and the duty nearly equivalent. The aggregate hawlut and sea duties on betel-nut are 35 per cent. The assessment on the lands producing the nut was originally fixed with reference to this heavy duty, but a great reduction having since taken place in its market value, principally owing to an extended cultivation of it in Mysore, a reduction of the rate would be likely to improve the revenue, as well as to relieve the cultivation.†

* Appendix (A.)

22. (Classes 6 and 7.) With regard to the 3 per cent. duty on grain exported by the land frontier into the territories of native powers, and the 8 per cent. duty

† *Vide* our Secretary's letter to Government of India, No. 134, dated 26 September 1835.

duty on cotton and cotton thread, it appears expedient that in every district (with perhaps one or two exceptions) in which the inland duties may hereafter be abolished, these two imposts should be abolished also; for the country on the frontier, being generally of an open character, a very strong frontier line would be necessary to ensure their collection, the charges of which would far exceed not only the collections on grain and cotton, but all the collections that would be realized on the whole of the trade that passes the frontier, supposing it to continue liable to the existing 5 per cent. duties.

23. The frontier duties, or duties collected on the frontier only, are confined to the duties on cotton and grain, and to the hawlut of Canara, which is both frontier and sea exports.

24. (Class 8.) The duties collected on the frontiers of the settlements of foreign European nations, will of course continue and be regulated as at present, with reference to the amount of the duties charged on goods exported and imported in foreign vessels by sea.

25. With respect to the question of applying the system of gradual relief now contemplated by the Governor-general in Council for the Madras Presidency, and referred for our consideration in the 10th paragraph of our recent instructions locally by districts, in preference to doing it by articles and items of taxation, we have no hesitation, with reference to our earlier observations in paragraph 17, in offering it as our decided opinion that the former will be the far more advisable course of the two, being perfectly satisfied, as we have indeed there stated in detail, that so long as the general right of search is maintained in the interior of that Presidency, the exemption of any particular article or articles from duty, whether by order of Government or by legislative enactment, will be of no avail in protecting such articles from the vexatious detentions and onerous exactions practised by the farmers of the inland duties and their servants, as well as the Government native servants, where the inland duty happens to be under amaunee management, on the internal trade at large.

26. Entertaining these sentiments, our inquiries have necessarily been directed to the ascertainment of what districts should be selected for relief in the first instance; and we have, on mature consideration, come to the conclusion that those of Ganjam, Vizagapatam, Rajahmundry and Masulipatam, are, on the whole, the best suited for the commencement of a system of entire abolition.

27. Bounded on the north by Cuttack, a portion of the Bengal Presidency already entitled to unrestricted freedom in respect to internal trade; on the west by nearly impenetrable jungles and the territories of the Nagpore and Hyderabad states; on the east by the sea; and on the south by the Kistna, a river of considerable magnitude, we do not know any part of the Madras territories where the local position of the provinces to be freed from internal customs taxation offers so many recommendations to immediate relief as the districts in question. In adopting this opinion, we have not lost sight of the advantage that might attend the introduction of the proposed change in the immediate vicinity of Madras itself; but as goods passing into the interior would still be subject to the general inland duty immediately they passed the limits of the district freed from internal chokies, and again, as all goods arriving from the interior would in like manner have paid the inland duty previous to their entrance into the relieved districts, we have thought that the benefit that must attend the unlimited freedom of trade through so large a portion of territory as that which we propose for present relief, will materially exceed any advantages that may be expected to result from the immediate abolition of the inland duties in the more central district of the Madras Presidency.

28. As regards the sacrifice of revenue to be made by Government in the event of our suggestions in respect to the quarter in which abolition is to take place meeting with the approval of the Governor-general in Council, we have ascertained, by a statement compiled from the accounts of the Madras Customs receipts and disbursements, furnished by the Accountant-general of that Presidency to the Accountant-general in Bengal (Appendix B.), that the average net Land Customs revenue of the four districts in question for the years 1832-33, 1833-34, 1834-35, inclusive of town duties, which, according to the best estimate we can form, yield about

Appendix (B.)

about forty-two thousand (42,000) rupees per annum,* amounted to something less than three and a half lacs of rupees per annum (3,48,137 rupees), and that the Sea Customs collections during the same period, yielded a net average revenue of about thirty-three thousand rupees (33,063 rupees) per annum, or, together, a trifle more than three lacs and eighty-one thousand rupees (3,81,000 rupees).

29. Believing, however, that some portion of the revenue now realized in the shape of inland duties, and admitted in part payment of sea export dues, will hereafter be realized as Sea Customs export collections, we do not think, on a careful examination of the several statements before us, that we shall over-estimate the future receipts in the Sea Customs department of the four provinces at sixty thousand rupees (60,000 rupees) per annum, and consider, therefore, that the total amount of revenue to be relinquished by Government in attainment of the relief recommended for the districts of Ganjam, Vizagapatam, Rajahmundry, and Masulipatam, will scarcely exceed three lacs and twenty thousand rupees (3,20,000 rupees) per annum, even if it should be found inexpedient with reference to the probable amount of collections on the frontiers of the Hyderabad state, and the expense of the establishment necessary for the future realization of duty in that quarter, distinct from the inland system, to withdraw all frontier chokies on the line in question.

30. But this is a point on which we are not able to offer any satisfactory opinion at the present moment, and we have therefore addressed inquiries on the subject to the local officers of Government most competent to assist us in forming a correct judgment of the advantage or otherwise of continuing to maintain such frontier chokies, after the general inland duties and town duties shall have been abolished throughout the tract already described, and we shall have the honour of submitting the result of these inquiries to Government at the earliest date in our power.

31. With reference to that portion of our present instructions which requires us to consider what substitutes can be provided so as to admit of a partial commencement with the work of remission at the Madras Presidency in particular, we are sorry to be obliged to state, that under the measures of separate legislation and relief which it has been deemed advisable to adopt with respect to the other two Presidencies, we are unable to devise any means by which any portion of the revenue now recommended to be relinquished in the Madras Presidency can be made good to the state, unless as regards betel and tobacco, the commutation adverted to in paragraph 18 should hereafter be deemed worthy of adoption. The present rate of import and export duty on the general sea-borne trade is, as already mentioned in a former part of this letter, eight (8) per cent., a scale so much in excess of the existing duties in Bengal, and of those also recommended for Bombay, that we do not think it would be either just or expedient to extend the operation of the duties on metals, marine stores and woollens, the only new source of taxation that has fallen within our observation, and the additional duty on British piece goods and unenumerated articles from Great Britain and Ireland, sanctioned by Act XIV. of 1836 to the Madras Presidency, so long as the existing duties remain in force there, even if this additional impost were likely to be more productive than we have ever considered it would prove; but when we find by statement compiled from the trade returns furnished by the Reporter-general on External Commerce at that Presidency to the Supreme Government, of which extracts in respect to the above enumerated articles for a period of five years (1829-30 to 1833-34) will be found in Appendix (C.), that the whole increase of revenue derivable from the immediate taxation of those articles would fall short of twelve thousand rupees per annum (11,877 rupees),† and that the additional duty of

Appendix (C.)

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* The average of the Town Duties for Fuslies 1239, 1240, 1241, 1242, 1243, as given by the several Collectors, is as under:—

| | |
|---|---|
| Ganjam | 1,450 |
| Vizagapatam | 2,000 |
| Rajahmundry | 4,326 |
| Masulipatam | 33,884 |
| | *Rs.* 41,660 |

† Metals, average annual value - - *Rs.* 2,23,346 at 3 per cent. - - 6,700
Marine Stores ditto - - - - 13,159 - ditto - - - 394
Woollens - ditto - - - - 96,788 at 2 per cent. - - 1,935
Piece Goods and Cotton Twist, ditto - 2,84,375 at 1 per cent. additional - 2,848
*Rs.* 11,877

of 1 per cent. on unenumerated articles would not exceed the same sum, twelve thousand (12,000) rupees, or together about twenty-four thousand (24,000) rupees per annum, we are convinced that the dissatisfaction the measure would give rise to as an isolated act of taxation, unconnected with a general reform of the Madras Sea Customs Laws, would greatly outweigh the fiscal benefits to be expected from the new tax.

32. It is at the same time right that we should state, in reference to the small amount of revenue likely to be realized from this branch of the commerce of the Madras Presidency, that its western coast is chiefly supplied with articles of European growth or manufacture from Bombay, and that considerable shipments of metals, &c., appear also from the trade returns to be made from Calcutta to that Presidency, giving in the aggregate a much greater consumption of articles from Great Britain than would be supposed to take place if we attended solely to the direct importations from that quarter. These latter, it is believed, are chiefly imported into Madras itself, and we regret that the entire disregard that has been shown to our repeated applications to the Collector of Sea Customs there on the subject of free goods and other matters connected with the external trade of that port, commencing as far back as the 30th of April 1835, and ending with an application to the Madras Government for its interference in furtherance of our inquiries on the 17th of August last,* should have put it out of our power to submit any other information on the subject now under consideration to the Government of India, than that which we have been able to collect from the returns we have already mentioned, and which we fear afford but very imperfect data on which to found just inferences and conclusions regarding the general commerce of that Presidency.

33. But, however insufficient these data may be for our present purpose, they are the best within our reach, and if the information now submitted in respect to future revenue from the English trade with the Madras territories be less satisfactory than the Governor-general in Council may have been prepared to expect, we can only assure his Lordship that it is the most accurate that the circumstances we have just stated will allow us to lay before Government at this time.

34. We have not ventured to recommend more extensive abolitions in the commencement, lest we should carry the work of immediate reform further than the Governor-general in Council may deem expedient at present; but we shall not, we conceive, overstep the line of our duty in stating it as our opinion, that the geographical position of Canara and Malabar, and the intimate commercial connection that subsists between those provinces and the Bombay Presidency, point them out as the next districts in the Madras Presidency, to which it will be advisable to apply the principle of entire relief from the general inland duty.

Appendix (D.)

35. The statement forwarded herewith, Appendix (D.), compiled from the same documents as that for the districts in the Northern Circars, exhibits a net revenue derived from the inland duties in Canara, in the year 1831–32, 1832–33, 1833–34, of something less than one lac and ninety-eight thousand (1,97,766) rupees per annum, and as there are no inland chokies either in this province or the adjoining one of Malabar, except on the boundary lines of each in the interior, the sum in question must consist, we imagine, of the realizations made from the frontier duty and hawlut duty jointly.

36. It is known that a large portion of the latter duty, though brought to account as Land Customs revenue, is in reality collected, when the articles which are subject to it are exported by sea, and as the portion may of course continue to be so collected, as long as it shall be considered right to maintain the hawlut duties at their present rates, we think that the immediate sacrifice of revenue, from the removal of the frontier chokies in Canara, will not exceed one lac and thirty thousand (1,30,000) or one lac and thirty-five thousand (1,35,000) rupees per annum. The further statement we enclose, Appendix (E.), showing the rates and amount of duty leviable on a candy of betel-nut of 560 lbs., grown within the province of Canara, to its final export by sea, gives a sum of upwards of ten thousand (10,748) rupees annually as sea duty on betel-nut exported from Canara to the port of Bombay only, from Fusly 1240 to 1244, both inclusive,

Appendix (E.)

* This letter has never been acknowledged by the Madras Government.

inclusive, and shows that a further sum of nearly forty thousand (39,882) rupees might have been collected on the betel-nut in question when so exported, had no hawlut duty existed in the interior, and which was in all probability so collected, though brought to account as inland special duty, agreeably to general usage, in order, we have heard, to avoid all liability to future drawback.

37. The statement from which the above inferences are deduced, proceeds, it it will be observed, in the absence of any positive information on the subject, on the supposition that one-half of the quantity of betel-nut carried from Canara to Bombay by sea, is the produce of that portion of the province which is above the Ghauts, and the remainder of the country below the Ghauts, the one quality being more valuable than the other, and the rate of hawlut duty being also different, although the aggregate of land and sea duties is, in both instances, the same, viz., 35 per cent. on a very high tariff valuation.*

38. Having shown, that on the article of betel-nut alone, exported to Bombay, revenue to the extent of 40,000 rupees per annum, now credited as hawlut duty, may be realized on shipment by sea; we do not believe that we over-estimate the collections that may, in like manner, be made on pepper, cardamums and sandal-wood, in taking them at twenty-five thousand (25,000) rupees though we are not in possession of any sufficient data to authorize a more confident assurance of accuracy on this part of the subject.

| | | |
|---|---|---|
| Rupees | | 1,98,000 |
| Less | 40,000 | |
| | 25,000 | |
| | | 65,000 |
| Leaves as deficit | | 1,33,000 |

39. Referring again to Appendix (D.), it will be found that the net inland customs revenue of Malabar for the years 1832–33, 1833–34, 1834–35, was a trifle more than one lac and twenty-three thousand rupees per annum (1,23,283 rupees), almost the whole of which is collected at the chokies at Paulghautcherry, the great inlet from the Carnatic into Malabar, and considering that by far the largest portion of the piece goods passing by that route from the interior is destined for export by sea, and that there may be other articles also of which we are at present uninformed pursuing the same course, we think that deductions to the amount of the surplus sum of 23,000 rupees, may safely be allowed for collections realizable on the sea-coast if the Land Customs chokies were no longer in existence, and for sums paid in the Sea Customs Department, as the Malabar Inland Customs portion of drawback due on piece goods exported from the Western Coast, that have paid higher duties in the interior than are retainable by Government under the Sea Customs Regulations and orders at present in force in this province.

Appendix (D.)

40. With respect to drawbacks, we find by statements furnished us by the Principal Collector of Malabar, under date 7th January 1836, that the total amount of inland duty returned on piece goods exported by sea, in the years of which we are treating, imported in the first instance into Malabar from Coimbatore and other eastern districts, was nearly thirty four thousand (33,937) rupees per annum. The sum retained by Government ought only to be $2\frac{1}{2}$ per cent. on the tariff valuation at the place of export, but as the value put on these goods at Paulghautcherry, where an additional demand of 5 per cent. is made on the difference between the land tariff of Malabar and that of the place where the inland duty was first paid,† is much higher than the sea tariff valuations would warrant, and that a larger amount of drawback would be payable to the exporter by a strict adherence to the latter than is returned by the adoption of the former, it has been the practice to take the Paulghautcherry valuations as the standard for drawbacks by sea, and to return one-half only of the whole inland duties previously paid.

| | |
|---|---|
| 1831–32 | 28,771 |
| 1832–33 | 32,439 |
| 1833–34 | 40,602 |
| | 3/1,01,812 |
| | 33,937 |

† Regulation I. of 1812, sec. XIII. clause 4.

41. This being the case, it is clear that the sum returned as drawback ($2\frac{1}{2}$ per cent.) is the one-fortieth part of the value of the goods themselves, and taking this

* The betel-nut grown above the Ghauts pays a hawlut duty of - - 30 per cent.
And a Sea duty of - - - - - - - - - - 5 „
35 per cent.

That grown below the Ghauts pays a hawlut duty of - - - - 25 per cent.
And a Sea duty of - - - - - - - - - - 10 „
35 per cent.

this drawback, as in the preceding paragraph, at 34,000 rupees, we have thirteen lacs sixty thousand (13,60,000) rupees as the total value, according to the Paulghautcherry rates, of the piece goods from Coimbatore and other eastern districts, exported annually from Malabar in the years in question.

42. But it is well known that these Paulghaut rates are usually in excess of the original tariff valuation certified by the rowannah accompanying the goods in transit, to the extent of about 80 per cent. It follows, therefore, that the 5 per cent. levied in this instance, at the place where the duty was first paid, will have been calculated on a valuation of 7,55,555 rupees, or say, on seven lacs and fifty-six thousand (7,56,000) rupees in the sum of 37,800 rupees; and at Paulghautcherry, on an additional valuation of 6,04,444 rupees, or say, six lacs and four thousand rupees, in the further sum of 30,200 rupees, making a total inland duty of 68,000 rupees, one-half of which being retained on export by sea, should place, to the debit of the inland collections of the district in which the first duty was paid, the sum of 18,888 rupees, or say, 19,000 rupees; and the sum of 15,112 rupees, or say, 15,000 rupees, to the debit of the inland duties of Malabar, as an actual deduction from present revenue, in part of the sum of 23,000 rupees allowed for by estimate in paragraph 38, and thus leave the sum of 8,000 rupees only per annum in doubt in any way.

*Rs.* 1,36,000 × 5 ÷ 100 = 68,000/00

43. With these data before him, the Governor-general in Council will, perhaps, be disposed to concur with us in the belief now expressed, that the inland duties, both in Malabar and Canara, may be immediately abolished, at a sacrifice of not more than two lacs and thirty thousand (2,30,000) rupees, or two lacs and thirty-five thousand (2,35,000) rupees, which, added to the sum required to be relinquished in the districts of Ganjam, Vizagapatam, Rajamundry and Masulipatam, something less than three lacs and twenty thousand (3,20,000) rupees would give full scope to the introduction of the scheme of entire abolition in these six maritime provinces, and the early development of their internal resources, at an immediate cost to Government of about five and a half lacs (5,50,000) of rupees per annum.

44. To render the work of abolition complete on the western coast of the Madras Presidency, and give entire relief from inland duties to the whole line of coast from Cape Comorin in the south, to the port of Cambay in the north, and thence inland to Kaira and Ahmedabad (with the exception of the town duties proposed to be retained at present on the island of Bombay and Guzerat), supposing our recent suggestions for the relief of the Bombay Presidency at large to be acquiesced in by Government, it will only be necessary to add the district of Tinnevelly to the number of those we have already recommended for relief in this port.

45. That this would be a very desirable measure we have no doubt, particularly if our information respecting the recent abolition of all transit duties in Travancore is correct; but as the net inland customs revenue of Tinnevelly is considerable, averaging for the years 1832-33, 1833-34, 1834-35, about two lacs and thirty-three (2,33,428) rupees per annum, and we are unable, from any documents in our possession, to form an estimate of the amount of frontier revenue that would still be realizable on the trade passing to and from the Travancore state, or of the addition that might be expected to the Sea Customs revenue from the change; we can only advert to the resources of this district in general terms, leaving it to the Governor-general in Council to determine the degree of consideration that may be due to our present suggestions regarding Tinnevelly, in connection with the utmost sacrifice of revenue that can be required of Government to carry them at once into effect.

| | |
|---|---|
| 1832-33 | 2,41,606 |
| 1833-34 | 2,20,960 |
| 1834-35 | 2,37,688 |
| | 3)7,00,274 |
| | *Rs.* 2,33,428 |

46. The adoption of the scheme of abolition now submitted in its fullest extent, would leave only the following maritime districts unrelieved; viz. Madura, Tanjore, South Arcot, Chingleput, Madras, Nellore and Guntoor, and trusting that the financial condition of the state may allow of these being also freed from all internal customs dues at an early period, we have the honour to enclose a statement, Appendix (F.), showing the net amount of inland customs revenue derivable from the districts in question for the years 1832-33, 1833-34, 1834-35, with the exception of Madras, of which, for the reasons given in paragraph 32, we can render no account at present, amounting in the aggregate to 10,09,334 rupees.

rupees per annum, as per margin, some portion of this would,no doubt, be made good by increased collections in the Sea Customs Department, but of the amount likely to be so available, we are not able to afford any satisfactory information to Government. *Vide* Statement (F.)

47. The extension of this measure of relief to the whole sea-coast of the Madras Presidency, and which would, in effect, introduce a system of complete freedom in respect to internal trade throughout the entire sea-coast of British India, would afford an opportunity of remodelling the Sea Customs Laws of that Presidency, which, in connection with the changes that have already taken place in Bengal, and we hope in progress at Bombay, is, we think, an object of great importance at this time, not only in view to the utmost practicable uniformity in the Sea Custom Laws of India, but the possibility also of an augmentation of revenue from this source in the territories subject to the Madras Government.

We have, &c.
(signed) *J. H. Crawford.*
*W. R. Young.*
*H. Borradaile.*
*H. Babington.*
*C. E. Trevelyan.*

30 November 1836.

(signed) *G. J. Siddons,*
Honorary Member.

(signed) *T. J. Taylor,*
Secretary.

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I have signed this report under a reservation which I shall have the honour of explaining in a separate Minute.

(signed) *H. Babington.*

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## APPENDIX.

### Appendix (A.) referred to in Para. 21, Report VI.

Statement, showing the particular Duties levied on the under-mentioned Articles in the Zillah of *Canara*.

| ARTICLES. | Tariff Value per Candy. | Land Duty. | Sea Duty. | Total Land and Sea Duty. | Remarks. |
|---|---|---|---|---|---|
| | *Rupees.* | *Rupees.* | *Rupees.* | *Rupees.* | |
| Pepper - - - - - | 60 | 10 per cent. | 5 per cent. | 15 per cent. | |
| Cardamums - - 1st sort | 750 | 15 per cent. | 5 per cent. | 20 per cent. | |
| 2d sort | 500 | 15 per cent. | 5 per cent. | 20 per cent. | |
| Betel-nut : | | | | | |
| Balaghaut produce - 1st sort | 40 | 30 per cent. | 5 per cent. | 35 per cent. | |
| 2d sort | 35 | | | | |
| 3d sort | 20 | | | | |
| Payenghaut produce - 1st sort | 30 | 25 per cent. | 10 per cent. | 35 per cent. | |
| 2d sort | 25 | | | | |
| 3d sort | 20 | | | | |
| Sandal-wood - - 1st sort | 150 | 5 per cent. | 5 per cent. | 10 per cent. | - - On exportation by land, at 10 per cent. |
| 2d sort | 128 | | | | |
| 3d sort | 108 | | | | |
| 4th sort | 87 | | | | |
| 5th sort | 80 | | | | |
| roots - | 70 | | | | |
| chips - | 20 | | | | |

Canara, Principal Collector's, Cutcherry on Circuit, Odipy, 3 February 1836.

(signed) *C. R. Cotton,*
Principal Collector.

Customs and Post-Office Committee, Calcutta, 30 November 1836.

(True copy.)
(signed) T. J. Taylor, Secretary.

## APPENDIX (B.) referred to in Para. 28, Report VI.

ABSTRACT STATEMENT, showing the Net Land and Sea Customs Revenue realized in the four Districts of the Madras Presidency, North of the Kistna River, viz. *Ganjam*, *Vizagapatam*, *Rajahmundry* and *Masulipatam*, in the years 1831–32, 1832–33 and 1833–34 respectively, and the Average Collections of the entire Period, framed from the Accounts of the Customs Receipts and Disbursements of the Madras Government for the years in question, as rendered by the Accountant-General of that Presidency to the Accountant-General in Bengal, excluding from this Abstract the fractional parts of a Rupee.

### LAND CUSTOMS.

| —— | 1831–32. | 1832–33. | 1833–34. | Total of Three Years. | Average per Annum. |
|---|---|---|---|---|---|
| Ganjam - - - | 59,961 | 55,004 | 52,219 | 1,67,184 | 55,728 |
| Vizagapatam - - | 66,478 | 70,663 | 74,725 | 2,11,866 | 70,622 |
| Rajahmundry - - | 1,44,382 | 1,28,717 | 1,20,221 | 3,93,320 | 1,31,106 |
| Masulipatam - - | 1,25,229 | 71,883 | 74,933 | 2,72,045 | 90,681 |
| | 3,96,050 | 3,26,267 | 3,22,098 | | |
| TOTAL Net Land Customs of the above four Districts - | | | | 10,44,415 | 3,48,137 |

### SEA CUSTOMS.

| —— | 1831–32. | 1832–33. | 1833–34. | Total of Three Years. | Average per Annum. |
|---|---|---|---|---|---|
| Ganjam - - - | 5,569 | 2,954 | 8,711 | 11,326 | *3,775 |
| Vizagapatam - - | 20,758 | 8,756 | 2,018 | 31,532 | 10,510 |
| Rajahmundry - - | 7,996 | 9,775 | 5,771 | 23,542 | 7,847 |
| Masulipata - - - | 18,185 | 6,463 | 8,147 | 32,795 | 10,931 |
| | 52,508 | *22,048 | 24,647 | | |
| TOTAL Net Sea Customs of the above four Districts - | | | | 99,195 | 33,063 |

* Note to rupees 3,775 and rupees 22,048.—The charges in the Sea Customs Department at Ganjam, in the year 1831–32, exceed the receipts in the sum of rupees 2,954, as above. The Statement therefore stands thus as regards the Total Collections at Ganjam in the three years under consideration: 5,569 — 2,954 = 2,615 + 8,711 = 11,326; and thus as regards the column of ÷3 3,775

Total Collections in the four districts in 1832–33:

| | |
|---|---|
| | 8,756 |
| | 9,775 |
| | 6,463 |
| | 24,994 |
| Deduct Charges in excess of Receipts at Ganjam, in that year - - | 2,954 |
| | 22,040 |

Customs and Post-Office Committee,
Calcutta, 30 November 1836.

(signed) *T. J. Taylor*, Secretary.

## Appendix (C.), referred to in Para. 31, Report VI.

Statement showing the Value of all Metals, Marine Stores, Woollens and Piece Goods imported annually into the Port of *Madras*, and Subordinates direct from the United Kingdom, from the Year 1829–30 to 1833–34 inclusive, together with the Total and Average Value of the same for the Five Years in question, compiled from the Returns forwarded by the Reporter-General on External Commerce at Madras to the Accountant-General in Bengal during the same period, and the Amount of Duty that would be realized thereon under the Bengal Schedules, annexed to Act XIV. of 1836.

| | 1829–30. | 1830–31. | 1831–32. | 1832–33. | 1833–34. | Total. | Average. |
|---|---|---|---|---|---|---|---|
| **Metals:** | | | | | | | |
| Brass | — | — | — | — | — | — | |
| Brass ware | 5,527 | 3,999 | 4,590 | 2,473 | 2,590 | 19,179 | |
| Copper of sorts | 53,190 | 63,815 | 62,173 | 21,061 | 5,036 | 2,05,275 | |
| Copper, Japan | - | - | 4,500 | - | - | 4,500 | |
| Copper, sheet | 45,204 | 42,991 | 75,385 | 16,414 | 17,108 | 1,97,102 | |
| Copper ware | - | - | - | 385 | - | 385 | |
| Files | 1,065 | 1,750 | - | - | - | 2,815 | |
| Iron, British, &c. | 82,482 | 75,312 | 42,700 | 53,562 | 19,996 | 2,74,052 | |
| Iron hoops | 13,562 | 4,697 | 1,468 | - | - | 19,727 | |
| Ironmongery | 65,104 | 44,015 | 19,716 | 15,059 | 7,905 | 1,51,799 | |
| Iron nails | 12,714 | 10,716 | 5,327 | 1,588 | - | 30,345 | |
| Iron, sheets | - | - | 5,950 | 5,853 | - | 11,803 | |
| Lead | 5,418 | 4,153 | - | 2,691 | - | 12,262 | |
| Lead, sheet | - | - | - | 924 | - | 924 | |
| Metals | 5,650 | 3,001 | 5,912 | 4,774 | 4,745 | 24,082 | |
| Spelter | 24,460 | 16,397 | - | 1,452 | 4,126 | 46,435 | |
| Steel | 3,758 | 4,203 | - | 1,761 | - | 9,722 | |
| Steam engines, &c. | 32,150 | 1,780 | 1,007 | - | - | 34,937 | |
| Suspension bridge | 8,500 | - | - | - | - | 8,500 | |
| Tin plates | 5,983 | 22,337 | 2,731 | 6,795 | 971 | 38,817 | |
| Tin ware | - | 3,086 | 3,813 | 1,743 | - | 8,642 | |
| Tutenaque | — | — | — | — | — | — | |
| Copper nails | - | 1,718 | - | - | - | 1,718 | |
| Swedish iron | - | 2,880 | - | - | - | 2,880 | |
| Swedish steel | - | 3,058 | 1,475 | 6,300 | - | 10,833 | |
| Total | 3,64,767 | 3,09,908 | 2,36,747 | 1,42,835 | 62,477 | 11,16,734 | ÷5=2,23,347 |
| **Marine Stores:** | | | | | | | |
| Canvass | 18,540 | 1,107 | 3,103 | 5,956 | 4,836 | 33,542 | |
| Chain cables | 2,716 | 2,661 | - | 1,776 | - | 7,153 | |
| Coir ropes | 1,100 | - | - | - | - | 1,100 | |
| Cordage | 1,762 | - | - | - | 5,094 | 6,856 | |
| Tar | 5,075 | 30 | 1,776 | 1,248 | 911 | 9,040 | |
| Naval stores | - | 831 | 3,883 | 240 | 1,270 | 6,224 | |
| Twine | - | - | 52 | 231 | 968 | 1,251 | |
| Grease | - | - | - | 211 | 421 | 632 | |
| Total | 29,193 | 4,629 | 8,814 | 9,662 | 13,500 | 65,798 | ÷5=13,159 |
| **Piece Goods and Twist:** | | | | | | | |
| Piece goods, cotton | 2,52,762 | 1,51,149 | 2,00,388 | 4,48,901 | 85,363 | 11,38,563 | |
| Shirtings | - | - | 39,061 | 14,838 | 9,302 | 63,201 | |
| Cotton twist and yarn | 49,110 | 40,549 | 86,445 | 37,485 | 9,022 | 2,22,611 | |
| Total | 3,01,872 | 1,91,698 | 3,25,894 | 5,01,224 | 1,03,687 | 14,24,375 | ÷5=2,84,875 |

The Committee are not quite sure that the articles of Spelter, Swedish Iron and Swedish Steel have been viewed as articles manufactured in Great Britain, and imported, therefore, free of duty in the Madras Presidency; but the error, if any, is on the right side, as their removal from this settlement would diminish in a small degree the amount of revenue realizable from a duty on metals in that Presidency.

APPENDIX (C.)—*continued.*

| —— | 1829–30. | 1830–31. | 1831–32. | 1832–33. | 1833–34. | TOTAL. | AVERAGE. |
|---|---|---|---|---|---|---|---|
| WOOLLENS: | | | | | | | |
| Broad cloth | — | — | — | — | — | — | |
| Carpets | 13,979 | 1,346 | - | 1,908 | - | 17,233 | |
| Flannel | 22,069 | 1,885 | 1,934 | 9,374 | 3,570 | 38,832 | |
| Green cloth | 1,245 | - | - | 2,565 | - | 3,810 | |
| Shawls | 23,996 | 10,125 | 12,253 | 18,942 | 1,479 | 66,795 | |
| Woollens | 1,60,537 | 41,656 | 63,787 | 56,952 | 23,212 | 3,46,144 | |
| Blankets | - | 2,322 | - | 2,984 | 1,592 | 6,898 | |
| Serge | - | 1,645 | - | - | - | 1,645 | |
| Floor-cloth | - | - | - | 2,584 | - | 2,584 | |
| TOTAL | 2,21,826 | 58,979 | 77,974 | 95,309 | 29,853 | 4,83,941 | ÷ 5 = 96,788 |

The Total Amount of all Goods imported into the Madras Presidency from the United Kingdom,

| | *Rs.* |
|---|---|
| In 1829–30, was | 32,98,746 |
| 1830–31 | 21,78,744 |
| 1831–32 | 23,36,080 |
| 1832–33 | 28,39,693 |
| 1833–34 | 19,00,345 |
| 5) | 1,26,53,608 |
| Average per Annum — *Rs.* | 25,10,721 |

Deduct the amount of the under-mentioned free articles, included in the above:—

| | | *Rs.* |
|---|---|---|
| Metals, during the five years in question, as per statement above | | 11,16,734 |
| Marine stores | | 65,798 |
| Piece goods and cotton twist | | 14,24,375 |
| Woollens | | 4,83,941 |
| | | 30,90,848 |

Also, the amount of articles that would be free under the new Bengal Tariff:—

| | *Rs.* | |
|---|---|---|
| Horses | 3,500 | |
| Precious stones | 5,950 | |
| Books | 4,77,831 | |
| Coals and chalk | 4,108 | |
| | | 4,91,389 |

And of those paying a higher duty than 3½ per cent.:—

| | | |
|---|---|---|
| Coral | 5,86,618 | |
| Wines and spirits | 23,86,294 | |
| | | 29,72,912 |
| 5) | | 65,55,149 |
| | | 13,11,029 |
| Leaves — *Rs.* | | 11,99,692 |

The additional duty on which, at 1 per cent., would be — *Rs.* 11,996 per annum.

(signed) *T. J. Taylor*, Secretary.

Customs and Post-Office Committee, Calcutta,
30 November 1836.

## APPENDIX (D.) referred to in Para. 35, Report VI.

ABSTRACT STATEMENT showing the Net LAND CUSTOMS REVENUE realized in the Provinces of *Canara* and *Malabar*, in the Years 1831–32, 1832–33 and 1833–34 respectively, and the Average Collections of the entire Period, framed from the Accounts of Customs Receipts and Disbursements of the Madras Government for the Years in question, as rendered by the Accountant-General of that Presidency, to the Accountant-General in Bengal, excluding from this Abstract the fractional parts of a Rupee.

### LAND CUSTOMS.

| | 1831–32. | 1832–33. | 1833–34. | Total of Three Years. | Average per Annum. |
|---|---|---|---|---|---|
| Canara - - - | 2,52,273 | 1,99,806 | 1,41,220 | 5,93,299 | 1,97,766 |
| Malabar - - - | 1,24,166 | 1,23,680 | 1,22,005 | 3,69,851 | 1,23,283 |
| | 3,76,439 | 3,23,486 | 2,63,225 | | |
| TOTAL Net Land Customs of the above two Districts - - - - | | | | 9,63,150 | 3,21,050 |

Customs and Post-Office Committee, Calcutta, 30 November 1836.

(signed) *T. J. Taylor*, Secretary.

## APPENDIX (E.) referred to in Para. 36, Report VI.

### CANARA.

STATEMENT showing the Rates and Amount of Duty leviable on a Candy of Betel-nut of 560 lbs. grown within the Province of *Canara*, to its final departure from that Province by Sea.

The produce of the Balaghaut, or country above the Ghauts, including Soudah, Soopah, Bilghy and Hunnar.

| | | | |
|---|---|---|---|
| General Inland or Hawlut Duty at 30 per cent. on a valuation of 40 rupees per candy of 560 lbs. - - - - - - - | 12 | – | – |
| Sea Export Duty at 5 per cent. at a valuation of 40 rupees per candy of 560 lbs. - - - - - - - - - - - | 2 | – | – |
| *Rs.* | 14 | – | – |

The Duty collected at the Inland Chowkies established in the Balaghaut is called the Hawlut Duty; no other Inland Duty is collected.

| | | | |
|---|---|---|---|
| Second sort Betel-nut, 30 per cent. on a valuation of 35 rupees per candy of 560 lbs. - - - - - - - - - | 10 | 8 | – |
| Sea Export Duty at 5 per cent. on ditto - - - - - - | 1 | 12 | – |
| *Rs.* | 12 | 4 | – |
| Third sort Betel-nut, 30 per cent. on a valuation of 20 rupees per candy of 560 lbs. - - - - - - - - - | 6 | – | – |
| Sea Export Duty at 5 per cent. on ditto - - - - - - - | 1 | – | – |
| *Rs.* | 7 | – | – |

The Produce of Payenghaut, or low country of Canara.

| | | | |
|---|---|---|---|
| General Inland or Hawlut Duty at 25 per cent. on a valuation of 30 rupees per candy of 560 lbs. is | 7 | 8 | – |
| Sea Export Duty at 10 per cent. on a valuation of 30 rupees per candy of 560 lbs. | 3 | – | – |
| *Rs.* | 10 | 8 | – |
| Second sort Betel-nut, at a valuation of 25 rupees per candy, of 560 lbs. at 25 per cent. | 6 | 4 | – |
| Sea Export Duty at 10 per cent. on ditto | 2 | 8 | – |
| *Rs.* | 8 | 12 | – |
| Third sort Betel-nut, at 25 per cent. on a valuation of 20 rupees per candy, of 560 lbs. | 5 | – | – |
| Sea Export Duty at 10 per cent. on ditto | 2 | – | – |
| *Rs.* | 7 | – | – |

The information contained in this page, and the one immediately preceding, is from a statement furnished to the Customs Committee by the Principal Collector of Canara, with his letter of the 1st March 1836; and it is further shown, by a second Statement accompanying the same letter, that the rates and amount of Duty leviable on a candy of Betel-nut of 560 lbs. from its first introduction into Canara from a foreign state by land to its final departure from that Province by sea, would be the same as that shown on betel-nut grown in the Balaghaut country.

| | | | |
|---|---|---|---|
| Foreign Duty at 30 per cent. on a valuation of 40 rupees per candy of 560 lbs. | 12 | – | – |
| Sea Export Duty at 5 per cent. on a valuation of 40 rupees per candy of 560 lbs. | 2 | – | – |
| *Rs.* | 14 | – | – |

The duty collected at the Frontier Chowkies is the Hawlut Duty; no separate Import Duty is levied.

*Memorandum:—*

Second sort Betel-nut - - - 35 } 30 per cent. on the frontier
Third sort Betel-nut - - - 20 } 5 per cent. by sea.

---

It appears also, from a Statement sent to the Committee by the same public officer with his letter of the 30 October 1835, that the Exportation of Betel-nut from Canara to Bombay alone in five years, from Fuslie 1240 to 1244 inclusive, was nearly 6,000 candies per annum, as per particular memorandum below.

| | *Candy.* | *Ms.* | *lbs.* | | | | *Candy.* | *Ms.* | *lbs.* |
|---|---|---|---|---|---|---|---|---|---|
| First sort | 1,712 | 7 | 21 | ÷ | 5 | = | 342 | 9 | 15 |
| Second sort | 10,812 | 7 | $6\frac{1}{2}$ | ÷ | 5 | = | 2,162 | 9 | $12\frac{1}{2}$ |
| Third sort | 16,766 | 14 | $10\frac{14}{40}$ | ÷ | 5 | = | 3,353 | 6 | $24\frac{18}{40}$ |
| | 29,291 | 9 | $9\frac{14}{40}$ | ÷ | 5 | = | 5,858 | 5 | $24\frac{18}{40}$ |

560 lbs. per candy.

It is of course not in the power of the Committee to state at this time, and it would probably occasion a vast deal of trouble to the Principal Collector to endeavour to ascertain what proportion of

of the above exports was the produce of the Balaghaut country, and what of the Payenghaut; but it may be assumed to have been half and half. It will thence follow, that the amount of Sea Export Duty collected on the first sort, candies 342 (excluding fractions), was as under:

| | | | |
|---|---|---|---|
| 342 | 171 Candies at 2 rupees per candy - - - | | 342 – – |
| | 171 Candies at 3 rupees per candy - - - | | 513 – – |
| 342 | | | 855 – – |
| | On the second sort Candies: | | |
| 2,162 | 1,081 Candies at Rs. 1 12 - - | 1,891 12 – | |
| | 1,081 Candies at Rs. 2 8 - - | 2,702 8 – | |
| 2,162 | | | 4,594 4 – |
| | On the third sort Candies: | | |
| 3,353 | 1,676½ Candies at 1 rupee - - | 1,676 8 – | |
| | 1,676½ Candies at 2 rupees - - | 3,353 – – | |
| 3,353 | | | 5,029 8 – |
| 5,857 | - - - - - - - - - Rs. | | 10,478 12 – |

And that the further sum of 39,882 rupees 12 annas, as below, might have been collected as Sea Customs Duty, had no Hawlut Duty existed in the interior.

| | | | |
|---|---|---|---|
| 171 | Candies at Rs. 12 per cent. - - | 2,052 – – | |
| 171 | Candies at Rs. 7 8 - - - - | 1,282 8 – | |
| 342 | | 3,334 8 – | |
| 1,081 | Candies at Rs. 10 8 - | 11,350 8 – | |
| 1,081 | Candies at Rs. 6 4 - | 6,756 4 – | |
| 2,162 | | 18,106 12 – | |
| 1,676½ | Candies at Rs. 6 - - | 10,059 – – | |
| 1,676½ | Candies at Rs. 5 - - | 8,382 8 – | |
| 3,353 | | 18,441 8 – | |
| | | | 39,882 12 – |
| | | Rs. | 50,361 8 – |

Proof of the above—

| | | | |
|---|---|---|---|
| 342 | 171 × 14 - - = - | 2,394 – – | |
| | 171 × 10 8 - = - | 1,795 8 – | |
| | | | 4,189 8 – |
| 2,162 | 1,081 × 12 4 - = - | 13,242 4 – | |
| | 1,081 × 8 - - = - | 9,458 12 – | |
| | | | 22,701 – – |
| 3,353 | 1,676½ × 7 - - = - | 11,735 8 – | |
| | 1,676½ × 7 - - = - | 11,735 8 – | |
| | | | 23,471 – – |
| 5,857 | Candies - - - - - - Rs. | | 50,361 8 – |

Customs and Post-Office Committee, Calcutta, 30 November 1836. (signed) *T. J. Taylor*, Secretary.

## APPENDIX (F.), referred to in Para. 46, Report VI.

STATEMENT of the Gross and Net Proceeds of the INLAND CUSTOMS in the Maritime Districts of the Madras Presidency on the *Coromandel Coast*, South of the Kishna, for the Years 1831–32, 1832–33 and 1833–34 (exclusive of Madras).

| District. | Year. | Collections. | Drawback. | Balance. | Charges. | Net Revenue. | Average. |
|---|---|---|---|---|---|---|---|
| Guntoor - | 1831–32 | 91,269 | - - | 91,269 | 23,304 | 67,965 | |
| | 1832–33 | 79,270 | - - | 79,270 | 23,297 | 55,973 | |
| | 1833–34 | 45,257 | - - | 45,257 | 22,826 | 22,431 | |
| | TOTAL - | 2,15,796 | - - | 2,15,796 | 69,427 | 1,46,369 | 48,789 |
| Nellore - | 1831–32 | 1,09,382 | - - | 1,09,382 | 879 | 1,08,503 | |
| | 1832–33 | 96,476 | - - | 96,476 | 876 | 95,600 | |
| | 1833–34 | 77,293 | - - | 77,293 | 876 | 76,417 | |
| | TOTAL - | 2,83,151 | - - | 2,83,151 | 2,631 | 2,80,520 | 93,507 |
| | TOTAL Average North of Madras - - - | | | | | | 1,42,296 |
| Chingleput - | 1831–32 | 72,878 | 131 | 72,747 | 2,303 | 70,444 | |
| | 1832–33 | 65,583 | 298 | 65,285 | 1,875 | 63,410 | |
| | 1833–34 | 78,320 | 274 | 78,046 | 9,997 | 68,049 | |
| | TOTAL - | 2,16,781 | 703 | 2,16,078 | 14,175 | 2,01,903 | 67,301 |
| South Arcot- | 1831–32 | 2,12,788 | - - | 2,12,788 | 25,852 | 1,86,936 | |
| | 1832–33 | 2,24,936 | - - | 2,24,936 | 32,144 | 1,92,792 | |
| | 1833–34 | 1,70,377 | - - | 1,70,377 | 32,144 | 1,38,233 | |
| | TOTAL - | 6,08,101 | - - | 6,08,101 | 90,140 | 5,17,961 | 1,72,653 |
| Tanjore - | 1831–32 | 3,47,784 | - - | 3,47,784 | 26,048 | 3,21,736 | |
| | 1832–33 | 3,02,571 | - - | 3,02,571 | 14,681 | 2,87,890 | |
| | 1833–34 | 3,12,487 | 297 | 3,12,190 | 7,961 | 3,04,229 | |
| | TOTAL - | 9,62,842 | 297 | 9,62,545 | 48,690 | 9,13,855 | 3,04,618 |
| Madura - | 1831–32 | 3,42,101 | - - | 3,42,101 | 2,089 | 3,40,012 | |
| | 1832–33 | 3,21,598 | - - | 3,21,598 | 3,685 | 3,17,913 | |
| | 1833–34 | 3,13,131 | - - | 3,13,131 | 3,657 | 3,09,474 | |
| | TOTAL - | 9,76,830 | - - | 9,76,830 | 9,431 | 9,67,399 | 3,22,466 |
| | TOTAL Average South of Madras - - - | | | | | | 8,67,038 |
| | TOTAL Average Inland Duties of the above Six Districts - - *Rs* | | | | | | 10,09,334 |

Customs and Post-Office Committee, Calcutta, 30 November 1836.

(signed) *T. J. Taylor*, Secretary.

MINUTE of Mr. *H. Babington*.

1. I CONCUR with the Committee in opinion as to the mode in which it is advisable that relief from the inland duties should be extended to the Madras territories, viz. by abolishing them by districts, in preference to doing it by articles and items of taxation; also in the expediency of commencing with the Northern Circars, in the event of a large immediate remission of revenue being impracticable; but with regard to the abolition of the inland duties in Canara and Malabar, if it should not be in the power of Government to extend the relief simultaneously to the adjoining districts to the eastward, I cannot concur with the Committee in recommending that these two districts should be the next in which the abolition should take place; I should not have thought it necessary to record my dissent, had the Committee submitted such a statement of the circumstances of those two districts, and the comparative degree in which they are affected by the existing duties, as would have empowered the Government to arrive at a more just conclusion on the expediency of the proposed measure, than the Report in its present state will, in my opinion, enable them to do.

2. No other reason is assigned in it for the selection of Canara and Malabar, than the general one of granting relief; if there is no other reason, the question appears to be whether the abolition of the inland duties is as much required in those as in other districts, and whether the relief it would afford would be as great as that which would attend an equal sacrifice of revenue elsewhere; I believe that in Canara and Malabar the abolition of the inland duties is less needed, and would afford less benefit to the inhabitants than would be the case in any of the midland and eastern coast districts.

3. The Committee are not disposed to admit that Canara and Malabar are better circumstanced than other districts of the Madras territories, but in Madras they are considered to be so, and were the point referred to those Madras officers whose land revenue experience qualifies them to estimate the comparative weight of the fiscal burdens of these two districts and those of any others, I have no doubt that they would be able to show that the balance is much in favour of the former; they are exempted altogether from town duties, and the inland duties, instead of being levied as in other districts everywhere throughout the interior, on the produce and consumption of the district within itself, is levied on the frontiers only, and hence falls exclusively on their external trade; they enjoy, besides, a ready market at Bombay, and a steady demand for their staple productions, and are never visited by those severe dearths which so often desolate other parts of the Madras territories; as a set-off to these exclusive advantages, the inhabitants have to pay a monopoly price for their tobacco, and special export duties are levied on the exportation of several articles, the peculiar produce of the soil. The inland duties of Canara and Malabar levied on the trade crossing the frontiers, are not to be compared in their pernicious effects on the prosperity of the country, or in the amount of annoyance they occasion, or the number of individuals directly subjected to their influence, with the inland duties of other districts, which instead of being borne as in Canara and Malabar by the external trade, fall in the proportion of 70 per cent. on the produce of each district consumed within itself; in Canara and Malabar the ryot and retail dealer are not directly affected by the inland duties, these duties are paid by the exporting merchant, and the internal traffic and consumption of the country are left perfectly free, but the duties of other districts are collected from all classes; from the ryot and the petty bazaar man as well as from the wholesale merchant, and no individual can pass along the road without being subject to the insolence and exactions of the sayer peons. The complaints which have been made against the inland duties of Canara and Malabar relate to grievances which admit of removal, if abuse in the collection of frontier duties can be checked anywhere, it may be checked there; but the multifarious evils which attend the collection of the inland and town duties of other districts admit of no correction, they are inherent in the system, and no individual can escape them; they entail as much annoyance on every owner of a shop or small garden as on the trading capitalists.

4. As the improvident habits of the natives of Southern India keep the greater portion of them in the hands of money-lenders, a measure of remission, in order materially to benefit them, must be very direct in its operation. The abolition of the inland duties would, in other districts than Canara and Malabar, be a measure

of this nature; but the inland duties in those two districts being levied from the exporting merchants only, the circumstance of his being relieved from them will not prevent his striking as hard a bargain as ever with his debtors, the ryot or the weaver, whose crops are mortgaged to him before they are sown, or whose loom his advances keep in employ. I am, therefore, disposed to think that their abolition is quite as much, if not more calculated to benefit the foreign consumer than the inhabitants of Canara and Malabar, and, if relief is the object, should not precede the abolition of duties which more directly affect the great mass of the people. I believe there are no two districts in the Madras territories in which the necessity for lightening the existing taxation is less urgent, and none in which the benefits to be derived by the inhabitants from the abolition of the inland duties will be so disproportioned to the amount of the sacrifice. If, however, the inland duties were abolished in the adjoining districts, the abolition of them on the frontiers of Malabar and Canara would then become necessary, in order to make the relief complete by opening the road to the sea.

5. When abolition is once commenced, I apprehend that Government will be under the necessity of proceeding with it very rapidly, and that the outcry from the unrelieved districts and from the Madras merchants, who already consider themselves sufficiently aggrieved by their exclusion from the benefits of the new sugar duties, will become so overpowering, that it will be found expedient to go on with the work, without stopping to ascertain the financial results of what has been done. It may, therefore, be worthy the consideration of Government, whether, if they are in a condition to remit revenue to a considerable extent, it may not be expedient to remit it in the southern districts, where relief is most needed, rather than in the Northern Circars; but if it is not in their power at present to remit revenue to a large amount, the Committee's proposition regarding the Northern Circars may, perhaps, be considered preferable to any other.

6. I may take this opportunity of supplying what I consider to be an omission in the Report relative to the financial effect of the abolition of the inland duties in the Northern Circars. It is not noticed that the land settlement of the Northern Circars is zemindaree, and, therefore, that the benefit which the inhabitants would derive from the abolition of the duties would not occasion that improvement in the land revenue which might be anticipated from their abolition in districts in which the settlement is ryotwaree.

5 December 1836. (signed) *H. Babington.*

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MINUTE of Mr. *J. H. Crawford.*

1. DIFFERING entirely from Mr. Babington in some of the opinions he has expressed in his separate Minute of this date, and believing that it may, if left unanswered, create impressions in the minds of the Governor-general in Council, in respect to the views and recommendations of the Committee, unfavourable to its discrimination and candour, I cannot allow that Minute to be laid before Government without offering a few words in the way of explanation and reply.

2. If in deciding on the districts to which relief from inland duties, inland chowkies, and all their attendant evils, should be first conceded, we had had to regulate our decision by the necessity of affording relief, in the first instance, to those districts which stand most in need of immediate amelioration, with reference to all the sources of taxation to which they are subject, our task would, to my mind, have been one of hopeless execution here, for I am not aware of any documents in our possession that could lead us to a correct understanding of the comparative injury inflicted on the various provinces of the Madras Presidency, by the several branches of taxation in operation in each; nor do I believe that even on the spot we should be likely to arrive, except at the cost of much time and labour, at any safe and satisfactory conclusion on that head; I doubt, indeed, if we could do so under any circumstances.

3. But it has not appeared to me that we were called upon, or were even at liberty to entertain the question of relief in any more extensive shape than as it was connected with the mischiefs created by the existing Inland and Sea Customs Laws; and as regards the part I have individually taken in our recent communication to Government, I may state that, surrounded by difficulties, and having only a choice

choice of evils before us—for, begin where we may, the unrelieved districts will necessarily be dissatisfied—I have leant to those arrangements which, as the foundation of a system of entire though progressive abolition, seemed to promise the greatest immediate good, according to the best exercise of my judgment at this time.

4. Mr. Babington says, that he takes the opportunity of supplying what he considers to be an omission in the Committee's Report relative to the financial effect of the abolition of the inland duties in the Northern Circars, and states that it is not mentioned that the land settlement of those districts is zemindaree, and, therefore, that the benefit which the inhabitants would derive from the abolition of the duties would not occasion that improvement in the land revenue which might be expected in districts in which the settlement is ryotwaree.

5. I was at one time disposed to concur with Mr. Babington in the propriety of bringing this circumstance, of which the Committee have however no other knowledge than that which it derives from Mr. Babington's experience in the revenue matters of the Madras Presidency, to the notice of Government; but considering that if we entered into the examination of land tenures in one case, it would be incumbent in us to do so in all, and also, that if we discussed these, we could hardly steer clear of advertence to the mooturpha, abkaree and other taxes contributing to the general revenue of other provinces, thereby involving ourselves in inquiries and reports on matters on which our information is very imperfect, and with which, as will be gathered from the 3d para. of this Minute, I consider that we are precluded from interfering. I came to the conclusion adopted by the rest of the Committee, that the subject adverted to by Mr. Babington had better not be touched upon in our Report of the 30th ultimo, particularly as the declaration made in the 31st para. of that Report, that "we are unable to devise any means by which any portion of the revenue now recommended to be relinquished in the Madras Presidency can be made good to the state, unless as regards betel and tobacco, the commutation adverted to in para. 18 should hereafter be deemed worthy of adoption," must prepare Government not to expect any other return for the boon to be conferred on the four northern districts than that which may result from the impulse given to their general industry and improved commercial relations with each other, as well as with the exterior, by the removal of all the onerous and vexatious internal exactions by which they have hitherto been oppressed.

6. In treating of Malabar and Canara, Mr. Babington says, that no other reason is assigned for the selection of those provinces than that of affording relief. I cannot reconcile this declaration with the fact, though it is probable Mr. Babington considered it an unimportant one, of our having stated in para. 34 of our Report, that the geographical position of Canara and Malabar, and the intimate commercial connection that subsists between those provinces and the Bombay Presidency, point them out as the next districts in the Madras Presidency to which it will be advisable to apply the principle of entire relief from the general inland duty, nor with the inference fairly, and as respects my own view of the subject, strictly deducible, from the 37th and 43d para. of our Report, that the small amount of revenue to be sacrificed, and the early developement of the internal resources of those provinces consequent on the measure in question, had material influence with the Committee in selecting them as the next in order of freedom from all inland Customs Duties.

7. The general terms in which Mr. Babington alludes to the monopoly price paid for their tobacco by the inhabitants of Canara and Malabar, when adverting to it as a set-off to other exclusive advantages he considers them to enjoy, would lead to the conclusion that this price was neither onerous in amount nor the system vexatious in operation; but when it is stated from Mr. Babington's minute of the 6th July last, confirmed by statements accompanying my minute of the 24th September, framed from official documents furnished by the Principal Collectors of Canara and Malabar, that the net revenue derived by Government from this monopoly in those districts amounted, on an average of the last five years, for which we have accounts before us, to four lacs and eighty thousand rupees (4,80,000) per annum, and that my statements show also that two-fifths of the tobacco supplied for the latter from Coimbatore, are of a quality that never ought to be furnished by Government, I cannot think that the inhabitants of

Canara and Malabar would have much to congratulate themselves upon on the score of exemption from evils to which the districts in the interior are liable, even if the machinery necessary to the strict enforcement of the tobacco monopoly were of a less rigorous and oppressive character than I have shown it to be in the minute to which I have referred above. But as this subject will come under the consideration of Government in one of our next Reports, it is not necessary for me to allude to it in greater detail at present, though it may be desirable to bear in mind, with reference to the particular situation of these provinces in respect to the operation of the transit or inland duty system, that every article liable to that duty in the interior is made subject by special enactments in the Madras and Sea Customs Laws (Regulation I. & II. of 1812), to additional taxation on crossing their frontiers, by the adoption of an increased tariff valuation there, amounting, in Malabar, to an advance of about 80 per cent. in most cases, on the tariff valuation of the place where the original rowanah is granted, thereby raising the inland duty, which in all the other districts of the Madras Presidency is 5 per cent., to 9 per cent. on the original valuation of all goods from the interior passing through or consumed within this particular province.

8. The increase in the tariff valuation is not, I believe, so great in Canara as in Malabar, though the adoption of the same system in both provinces necessarily makes the actual amount of inland duty paid on all goods passing into Canara higher than that which is levied in any of the inland districts.

9. I am not able to state the amount of taxation to which the several provinces of the Madras Presidency are subjected, from the various sources of collection in force in each; but I find from a memorandum furnished me by Mr. Clementson, the Principal Collector of Malabar in December 1834, that the gross receipts in that province in Fuzlie 1243, exceeded 29 lacs of rupees, and though some portion of this amount, say, on such part of the salt imported from Bombay as is not consumed within the province, may, with the Customs on sea exports, fall on foreign consumers, and that deductions must be made for the prime cost of the tobacco and salt, to the extent, probably, of about a lac and thirty thousand rupees, there is yet a sufficient amount of revenue realized from the inhabitants of Malabar themselves, and of vexatious and oppressive interference through the medium of the tobacco monopoly, to make me somewhat sceptical as to their very favourable condition, generally, in comparison with that of the inhabitants of the Madras Presidency at large; though I am aware that Canara and Malabar are, as stated by Mr. Babington, considered in Madras to be better circumstanced than other districts of the Madras territories.

| | | | |
|---|---|---|---|
| Land Revenue - | 16,07,564 | - | 10 |
| Sayer - - | 1,26,975 | 4 | 4 |
| Abkarry - - | 63,925 | 13 | 5 |
| Farms and Licenses | 59,510 | 14 | 1 |
| Salt Monopoly - | 2,85,731 | 13 | 9 |
| Sea Customs - | 1,82,375 | 15 | 11 |
| Mooturpha - | 1,12,451 | 9 | 9 |
| Tobacco Monopoly | 4,43,288 | 6 | 3 |
| Stamps - - | 48,019 | 8 | 4 |
| *Rs.* | 29,29,843 | 6 | 8 |

10. But whether this be the case or not, I think the Committee, with reference to the triple question, of immediate abolition of all inland duties in certain districts, the amount of revenue to be given up by such abolition, and the quantum of good to be realized from the extent and geographical position of the districts recommended for present and consecutive relief, viz., Ganjam, Vizagapatam, Rajamundry and Masulipatam in the first instance, Canara and Malabar in the next, and then Tinnevelly, has exercised a sound discretion at this time, and paved the way, I hope, for the introduction of a more extended scheme of amelioration, at no very distant date.

5 December 1836. (signed) *J. H. Crawford.*

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MINUTE of Mr. *W. R. Young.*

1. I CONCUR generally in the sentiments set forth in the Report, considering that all plans falling short of entire abolition must be open to serious objections, and that amidst a choice of difficulties, the Committee have selected the course which is least objectionable.

2. The scheme now placed before Government is divided into four parts.

3. If it should be found practicable to carry the entire plan into effect, the measure of relief afforded would be very full and efficacious; but if financial or other considerations render a more gradual progression necessary, I think the Committee have placed the steps by which relief should advance in their right order.

4. I do

4. I do not know on what grounds Mr. Babington has arrived at the conclusion that the people of Malabar and Canara stand in less need of the relief which the abolition of the inland duties in those provinces would impart, than do the inhabitants of the midland and eastern coast districts. There is certainly no evidence before the Committee which in my estimation at all bears out this opinion ; Mr. Babington dwells at considerable length on the benefits enjoyed by the people of Malabar and Canara, and on the evils endured by the inhabitants of other districts, but he only incidentally alludes to the tobacco monopoly, and to the special export duties which press exclusively on the former, as an off-set against the advantages they possess. Now, it appears to me, that if a just balance is to be struck, a more minute weighment of benefits and evils than that shown in Mr. Babington's minute is requisite ; Government will find, when the subject comes before them, that the tobacco monopoly is no light and unvexatious tax, and that the triple evil of high price, inadequate supply and bad quality, in respect to an article represented by the local authorities as almost a necessary of life to the labouring classes, interferes in no trifling degree with the wealth and comfort of the population subjected to the operation of the monopoly. As far as the very full documentary evidence before the Committee enables me, without the aid of local experience, to judge, I should consider the tobacco monopoly as it now exists in Malabar. to be an ample counterpoise for any advantages which the people of that district appear to enjoy in respect to land assessment or the operation of the inland duties. Mr. Babington says, that "the complaints which have been made against the inland duties of Canara and Malabar relate to grievances which admit of removal." I am not aware of any mode by which their removal could be ensured, nor do I think that the various experiments which have been tried in the Madras territories for the mitigation of the evils of the inland system, hold out much hope of success in any future attempts to check abuse by improved administration.

5. I cannot by any means acquiesce in Mr. Babington's reasoning by which he endeavours to show, that because the inland duties in Malabar and Canara are levied from the exporting merchant, therefore their abolition would little improve the condition of the labouring classes, who, being improvident, are generally in debt to the merchant, and must therefore submit to whatever conditions he chooses to impose. If the exporting merchant is enabled by the remission of a tax to offer the producer a better price, and at the same time to secure to himself an equal profit, and if he has not the means of excluding other competitors, it appears to me, that unless the state of things in those districts be anomalous, the producer must, the demand and supply remaining unaltered, in some degree benefit ; even allowing as Mr. Babington supposes, that the foreign consumer will be the party chiefly profiting by the remission, still, if the diminution of price have the effect of increasing the foreign demand, as may reasonably be expected, the producer will ultimately derive advantage from the change.

6. With respect to Mr. Babington's remark, that the land settlement in the Northern Circars being zemindaree, the abolition of the inland duties in those districts "would not occasion that improvement in the land revenue which might be anticipated from their abolition in districts in which the settlement is ryotwaree," I have only to observe, that it appears to me that the Committee must greatly extend their inquiries before they can be in a condition to offer an estimate of the effect on the productiveness of the other various sources of revenue, of an abolition of the inland duties. It seems to me that the Committee have done right in abstaining on the one hand, from holding out expectations of financial advantage, and on the other hand from anticipating losses to result from the indirect operation of a change calculated to effect obvious and immediate benefit. Even, however, if the certainty that no direct increase of land revenue can arise from the abolition of inland duties in the Northern Circars had forced itself on the mind of the Committee, it does not necessarily follow that an equal certainty exists, that the land revenue would not indirectly benefit by such an important measure of relief as that contemplated.

8 December 1836. (signed) *W. R. Young.*

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MINUTE of Mr. *H. Borradaile.*

IT is unnecessary for me to say more on this subject, than that I concur in what has been so fully set forth by Mr. Crawford and Mr. Young.

9 December 1836. (signed) *H. Borradaile.*

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MINUTE of Mr. *C. E. Trevelyan.*

1. I CONCURRED in the recommendation of the Committee to abolish the Inland Custom system first of all in the maritime districts of the Madras Presidency, for the following reasons:

2. As a larger proportion of the goods which now pay inland duty is afterwards exported in the maritime than in the inland districts, the Government is likely to lose less by abolishing the Inland Customs in those districts than in any other. In other words, the experiment of abolition is likely, financially speaking, to answer best in the neighbourhood of the sea-coast, and we shall consequently have it in our power to extend it sooner to the rest of the Presidency.

3. By abolishing the inland duties first in the maritime districts, the Government will be able at once to remodel the Sea Duties, which is of great importance both with a view to establish uniformity to the greatest practicable extent in all the coasts of India, and to raise additional funds for the purpose of carrying on the work of abolition in the interior. The tariff which has been proposed for the Bombay Presidency furnishes, in my opinion, a sound standard, which I hope to see extended with more or less modification to the rest of India.

4. According to the plan which has been proposed, a double benefit will be conferred on the country. The maritime districts will be relieved both as regards duty and transit; and the inland districts will at least have their commercial intercourse with the coast, so far as it is carried on through the intervening maritime districts, freed from the interruption which is now afforded to it by the Inland Customs Establishment; and when it is recollected that the main evil of the inland system is not so much the duty which is levied, as the detentions and exactions arising from the frequent necessity of search, this extent of relief, though less than that which will be granted to the maritime districts, must be allowed to be no small boon. It appears to me that we shall have made a great step towards establishing the entire freedom of the home market, when we shall have secured entire freedom of intercourse between the coast and the districts in the interior, and as we depend upon the development of the maritime trade for the means of extending relief to the remaining districts, whatever gives an impulse to that branch of trade will indirectly benefit the inland districts, by hastening the period of their relief.

5. It is mentioned in our Report as one reason for selecting the Northern Circars to try the measure of abolition in the first instance, that they stand by themselves, and that there are no adjoining British districts in the interior in which duty will still be levied. I do not think that this is a good ground for preferring these districts. On the contrary, I should be glad if there were adjoining inland districts which would participate, in some degree, in the benefit of the abolition by having their communications with the coast laid open. Notwithstanding this, however, I think that the Northern Circars ought to be included with the rest of the maritime districts in the proposed measure of abolition.

6. Mr. Babington observes, that Malabar and Canara being more lightly taxed than other districts of the Madras Presidency, are not entitled to priority of relief; but he also says, that the duties which it is proposed to abolish in that quarter, are really frontier duties between Malabar and Canara, and other inland districts. The main advantage arising from their abolition, therefore, will accrue, not to Malabar and Canara, but to Coimbatore and other inland districts, whose exports to the coast will now be freed from the oppressive extra duties levied on the Malabar frontier.

10 Dec. 1836. (signed) *C. E. Trevelyan.*

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MINUTE of Mr. *H. Babington.*

WITH reference to Mr. Crawford's and Mr. Young's remarks on the tobacco monopoly of Canara and Malabar, I think it necessary to add, that I very far from coincide in the opinions entertained by those gentlemen regarding its character and operation.

10 Dec. 1836. (signed) *H. Babington.*

# REPORT XI.

From the Committee for revision of Customs and Post-Office Departments of India, to *H. T. Prinsep*, Esq., Secretary to Government of India, General Department. (No. 13.)

Customs and Post-Office Committee, Calcutta,
24 June 1837.

Sir,

We were honoured on the 3d instant with your letter in this Department, No. 39, of the 24th May last, and on the 6th, with your further letters, Nos. 42 and 43 of the 31st May, with the several enclosures noticed in the margin.* *See* below.

2. If the Committee rightly understand the wishes of the Right honourable the Governor-general in Council, as conveyed to them in the first of the letters now before them, it is his Lordship's desire to be informed, as correctly as circumstances will permit, what will be the net amount of revenue given up by Government in the first instance, from the abolition of the transit duties and all other duties levied as Land Customs in the Dekhan, North and South Concans, Southern Mahratta Country and Guzerat, with the exception of the town duties in the last-mentioned province, which with those of the island of Bombay, are to be retained for the present; and we gather further, from the 19th para. and other portions of your letter to Mr. Secretary Willoughby of the 24th ultimo, No. 38, that his Lordship in Council would be disposed to grant to re-exports from Bombay the full advantage conceded by the Bengal tariff of Act XIV. of 1836, to re-exports from Calcutta 7-8ths of the amount of duty originally levied, but for the opinion he entertains that the sacrifice of revenue consequent on such concession would amount to between five and six lacs of rupees per annum.

3. It will be our endeavour to place before his Lordship in Council, in as succinct a shape as the nature of the subject will admit, the measures we have taken to meet his Lordship's wishes on the first point, and to ascertain what would be the additional amount of drawback repayable by Government in the Bombay Presidency under the operation of the present Bengal rules, as compared with the drawback system now in force in the Bombay territories.

4. It is stated by the Revenue Commissioner, Mr. Williamson, in the 4th para. of his letter to Mr. Secretary Willoughby, of the 5th ultimo, that the total amount of transit and town duties to be given up in the Dekhan, two Concans and Guzerat,

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* No. 39, 24th May 1837.—Letter from the Acting Secretary to the Bombay Government, Mr. Townsend, to Mr. Secretary Macnaghten; No. 874 of 1837, of the 22d March 1837, and the several enclosures therein noticed with the introduction of the warehousing system into the Bombay Presidency; also letter No. 1,185 of 1837, dated 24th April 1837, from Mr. Secretary Willoughby to Mr. Secretary Prinsep, and enclosures, having reference to the abolition of the transit duties throughout the Bombay Presidency, and the adoption of an improved Sea Customs system and Excise duty on salt in the territories subject to that Government, together with copy of the reply of the Government of India on those letters as conveyed in Mr. Secretary Prinsep's letter to Mr. Secretary Willoughby, No. 38, dated 24th May 1837.

The postscript to this letter, No. 39, adds further enclosures thereto; viz. letter No. 1,503 of 1837, of the 15th May 1837, from Mr. Secretary Willoughby to Mr. Secretary Macnaghten, with copy of one from the Commissioner of Revenue at Bombay, Mr. Williamson, to that Government, No. 1,749 of 1837, dated 5th May 1837, reporting the total loss of revenue likely to arise from the abolition of the transit and town duties of that Presidency.

No. 42.—In continuation of No. 39, transmits sketch draft of an Act for imposing an Excise Duty on Salt prepared in your office.

No. 43, 31st May 1837.—Letter from Mr. Secretary Willoughby to Mr. Secretary Macnaghten, No. 1,511 of 19th May 1837, forwarding copies of the enclosures to the Revenue Commissioner's letter of the 15th of that month, being the reports and replies from the Collectors of Land and Sea Customs revenue in the Dekhan, Concans and Guzerat, to queries put to them by the Commissioners connected with the transit duties, &c., and in which, as respects revenue, he has based his own statements in the letter of the 5th May, already referred to.

| | | Rs. | | |
|---|---|---|---|---|
| See below. | Guzerat, on an average of three years, will be as per margin* - - - - - - - - - - | 14,91,382 | 9 | 4 |
| | The statement marked (A.) which accompanies our present letter, will show the authorities from whom the Revenue Commissioner has derived his information, and the dates of the same, and that the amounts agree, both separately and in the aggregate, with the statement he has given. To the above amount must be added the transit duties of the Southern Mahratta country, producing as per particulars in statement (A.) per annum | 2,20,507 | 13 | 8 |
| | TOTAL - - - *Rs.* | 17,11,890 | 7 | – |
| | And there must be deducted the amount of the Mookhauds and town duties in Guzerat, averaging for the three years 1832–33, 1833–34, and 1834–35, per same enclosure (A.) - - - - - - - - | 3,78,499 | – | – |
| | *Rs.* | 13,33,391 | 7 | – |

5. It may be observed here, as in the Statement (A.) to which reference has been made above, that the result just shown does not differ very materially from the average of six years, *i. e.* 1829–30 to 1834–35, per accompaniment (A.) to the Committee's letter to the Bombay Government, of the 15th November 1836, *Rs.* 13,77,923, and that the average of the three last years of the six in question (1832–33, 1833–34, 1834–35), per Enclosure (B.), is almost in exact accordance with our present calculation, viz. *Rs.* 13,33,944. Allowing, therefore, for the possible error in the Principal Collector of Poonah's later return of the 14th December 1836, forwarded by the Commissioner, as contrasted with his former one of the 30th August 1836, we cannot be far wrong in assuming the loss of revenue from the abolition of the transit duties throughout the Bombay Presidency, and of all town duties, except those in Guzerat and the Island of Bombay, in round numbers, at *Rs.* 13,50,000 (thirteen lacs and fifty thousand rupees).

6. In regard to the loss which would probably be caused in the Sea Customs Duties in the North and South Concans and Guzerat by the introduction of the Bengal Act XIV. of 1836, our inquiries have not, we are sorry to say, been equally satisfactory. This loss is estimated by the Revenue Commissioner at *Rs.* 2,96,396, on the authority of a statement, of which a copy will be found in the margin,† but the data given in the latter are so vague and unsatisfactory, that we should not, under any circumstances, be disposed to place much confidence

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* Guzerat Amount of Land Customs, Town Duties, &c.—

| | Rs. | | |
|---|---|---|---|
| Mookauds - - - - - - - - - - | 7,58,000 | – | – |
| Candeish Land Customs and Town Duties - - - - | 1,62,000 | – | – |
| Nuggur Land Customs and Town Duties - - - - | 1,62,002 | 7 | 6 |
| Poonah Land Customs and Town Duties; average of two years | 2,18,046 | 10 | 3 |
| North Concan ditto - - - - - - - - - | 1,65,001 | – | – |
| South Concan - - - - - - - - - - | 26,332 | 7 | 7 |
| | 14,91,382 | 9 | 4 |

†

| | Average Revenue of Three Years. | Estimated Revenue as per Bengal Act. | Estimated Loss. |
|---|---|---|---|
| | *Rs.* | *Rs.* | *Rs.* |
| Sea Customs in Guzerat - - - | 4,51,900 | 3,50,000 | 1,01,900 |
| 30,391. Ditto - North Concan - - | 6,49,913 | 5,69,015 | ‡1,80,898 |
| Ditto - South Concan - - | 95,818 | 82,220 | 13,598 |
| 1,96,396. TOTAL - - - - - *Rs.* | 11,97,631 | 9,01,235 | §2,96,396 |

dence in this portion of Mr. Williamson's calculations; and we are the less inclined to do so at the present time, because we find it impossible to reconcile the amount of past and prospective revenue in the North Concan and Guzerat, with other returns now before us to which we shall have occasion to refer almost immediately; and because, also, we observe an error, to the extent of a lac of rupees under the former head, North Concan, arising either out of the carelessness of the copyist in transcribing the items belonging to that collectorate, or of the party who made the subtraction, connected with them. It is, of course, not in our power to say, at this distance, to which of the above causes the difference in question is really attributable, but it necessarily raises doubts in our minds as to the true difference intended to be exhibited, fatal, for the present, to the validity of the document in which the error occurs.

7. But although we are prevented, by the circumstances just detailed, and the non-receipt of further returns from the Collector of Customs in Guzerat and the Northern Concan, called for as far back as the 22d October last, with a renewed request for their early transmission under date the 25th February last, from submitting a statement of the probable loss to be expected in this branch of the general Customs Revenue, from the changes contemplated in the districts in question, we shall be able, we believe, to show the extreme loss that can arise in those districts from the adoption of the measures now under consideration, and which, in the absence of other more satisfactory information, it will probably be acceptable to his Lordship in Council to be made acquainted with at this time.

8. In a statement accompanying our letter to the Bombay Government, of the 15th November last (marked E.), we showed, from materials extracted from a return made to the Committee by the Collector of Customs in Guzerat, dated the 12th October 1835, that the amount of all import duties levied at the different ports in Guzerat, on an average of three years, was - *Rs.* 76,668

And from returns furnished by the Collector of Rutnagherry, dated 6th May 1837, that the import duties in the Southern Concan for the same period averaged - - - - - - - - 32,784

And we are able now to add, from the statements of Mr. Davies, Second Assistant to the Collector of Tannah, of the 2d April 1836, accompanying our Report No. V., of the 29th June following, that the total amount of import duties levied in the Northern Concan in the year 1834–35, was, as shown in Enclosure (C.) to this letter - - - - - - - - - - 1,00,332

Making the Total Sea Customs Import Duties levied in the Bombay Presidency annually, exclusive of the Port and Island of Bombay *Rs.* — 2,09,784

As regards sea export duties, we find, by again employing the returns furnished by the Collector of Customs in Guzerat, on the 12th October 1835, that the export dues on all articles exported from Guzerat, except cotton, which, for reasons that will be stated hereafter, has been excluded from the list of articles contributing to Sea Customs export duties for the present, amounted on an average of three years to - - - - - - - - - *Rs.* 1,24,461 — Enclosure (F.)

And a return from the Collector of Rutnagherry, dated 5th May 1837, recently received, gives the amount of export duties in the Southern Concan in 1835–36, deducting the duties on cotton, as above, at - - - - - - - - - - 46,210

Whilst the Abstract Statement herewith extracted from Mr. Davis's statement of the 2d April 1836, though somewhat differently arranged, give the amount of duties levied in the North Concan, on articles the produce of, or coming from the Dekhan, cotton again excluded, at - - - - - - *Rs.* 50,806 — Enclosure (D.)

And on exports, the produce of the Concan, principally grain, at - - - - - - - - - - 3,44,370

3,95,176 — Enclosure (E.)

*Rs.* 5,65,847

| | *Rs.* |
|---|---|
| We have thus the total amount of export duties (those on cotton excepted) levied at subordinate ports annually, in the sum of - | 5,65,847 |
| And by adding the further sum of 2,09,784 rupees, amount as above of all import dues levied on the sea-borne trade of Guzerat and the two Concans - - - - - - - - - - | 2,09,784 |
| We show that - - - - *Rs.* | 7,75,631 |

is the total sum realized as Sea Customs import and export dues at all such subordinate ports; and the extreme loss which can be incurred by the proposed change in this branch of the Sea Customs revenue, as our recommendation in respect to the future export duty on cotton, in a subsequent part of this communication, nine (9) annas per Indian maund of 40 seers of 80 tolas, or 82 $\frac{2}{7}$ lbs., is so nearly equal to the existing rate of 5 per cent. on a valuation of 105 rupees per S$^t$ candy, and 8 per cent. advance, or 5 per cent. on Rs. 113. 40, as to create but a very trifling loss on that score.

9. But, referring to the 25th paragraph of the Committee's letter to the Government of Bombay, of the 15th November last, on the subject of the duties in the North Concan, *vide* margin,* and to the opinion expressed by the Right honourable the Governor-general in Council that relief to the North Concan from the burthensome system of taxation pointed out by Mr. Davies as in force at Bombay in respect to the productions of that district, seem to require our earliest consideration; and to the further evidence afforded by the enclosures to the Revenue Commissioners' letter of the 5th May 1837, of the injurious effect produced by overtaxation in the Customs Department on the land revenue of the North Concan, we must respectfully state our conviction, that a sum very little short of three lacs (3,00,000) of rupees ought to be deducted from the amount of Customs Revenue shown in para. 8, rupees 7,75,631, as a boon to that province, totally unconnected with the general question of relief, by relinquishment and commutation now before us, and for which Government will receive an equivalent hereafter in the avoidance of that accumulation of balances, of which the existing Customs system has been the fruitful parent in time past.

*See* below.

10. Mr. Davies says, in his letter of the 2d April 1836, already before the Government of India, "The loss will be a serious one at first; but it must be remembered, that these are the receipts of a clever farmer, who is justly supposed to make a good profit out of small matters, such as fees (removing nakas to better places, and demanding cesses which the poor cannot well dispute. There can be no doubt of the fact, that Government have gained greatly by the farming system; but it is equally incontrovertible that the farm has deteriorated the country and depressed the agricultural interests. Look at the balances of the collectorate, twelve lacs of rupees, all accumulated in the districts where the Customs press most heavily. It is my firm opinion, that in five years the loss would be made up to Government by the land revenue, by extended cultivation, &c., by the greater distribution of exports and imports. At present the consumption of rice in Bombay is about Arabic candies of 8 maunds, 75,000 candies; of this only 45,000 is imported from the Bombay Presidency, the rest, or about 33,000 candies is yearly brought from Malabar, while our own rice is fettered by assessment and customs to the tune of 52 per cent. on the Bombay price; viz.

| | | |
|---|---|---|
| Average price in Bombay - - - - - | *Rs.* | 17." |
| Assessment - - - - - - - - - | | 5$\frac{1}{2}$ |
| Customs - - - - - - - - - - | | 3$\frac{1}{2}$ |
| | | 9 |

* "The loss that would occur in the Sea Customs of the Bombay Presidency from reducing the duties in the North Concan to the general rates above proposed for subordinates, 5 per cent. on import and export, cannot, the Committee conceive, be fairly set against the above surplus to be yielded by the new duties, but is one that must be made for the sake of saving that district from ruin, and placing it on the same footing as the rest of the Presidency, and is a separate measure of relief forcibly pointed out for immediate execution by the Government of India."

11. Again, the Acting Collector of Tannah, Mr. W. Simson, writes as follows, in the 16th paragraph of his letter to the Revenue Commissioner of the 19th August 1836:

"In fine, the only increase I anticipate will be at the port of Panwell, where, if the difference at first may be estimated as equal to the sum above the three lacs of deficits, which I fully anticipate on the exports, viz. 67,278 rupees, we calculate, I presume, as nearly as caution will permit. This will make the net deficiency equal to three lacs of rupees. As a set-off, however, to this heavy amount, we may fairly speculate on great advantages to be derived from the proposed system. Whatever loss will take place on the exported grain of the country (a large item), ought very soon to be made up in the land revenue, since the farm of the Customs on grain, &c. has obtained, the balances of land revenue have been steadily accumulating. By substituting the easy duties laid down in the new Act, the ability of the cultivator to pay his land-tax will be greatly strengthened; by a rise in prices, his circumstances will become changed; the purchasing power of the country will gradually increase, and in supplying the growing wants of a great empire, the Customs on imports will become a considerable source of revenue to the state. At the present day, the imports of many large talooks (the consumption of large tracts of country) are confined to such articles as are needed by man in the rudest state of society. Cocoa-nuts, dates and oil form the luxuries which alone are within the reach of millions, and even the cost of these is terribly enhanced by expensive carriage and heavy duties. What may be done by a judicious relinquishment of these heavy imposts may be augured from the increasing trade in cotton goods since the proclamation of 1825 (allowing the production of certificates from Bombay to clear the ports of Panwell and Bhewndy). Prior to that proclamation, the value of cotton goods imported was below five lacs of rupees. Last year, they amounted to 20 lacs, in addition to those which paid duty at the ports of the Concan."

12. It is evident from the testimony here borne to the numerous evils which the existing Customs system has produced in the Northern Concan, that the sums realized under it in that collectorate have not been a clear gain to the State. Laying aside, however, for the present all consideration of the consequences of that system on the general prosperity of the district, there can be no doubt, we conceive, that the large and steadily increasing deficit in the land revenue, of which both Mr. Simson and Mr. Davies state it to have been the cause, may in perfect fairness be made a set-off against the sums in question, and a reasonable belief be entertained under such circumstances, that the amount of revenue which may now be relinquished in the one department, will gradually be made good in the other. Seeing, therefore, from the statement which accompanies this letter, Enclosure (E.), that the sum realized as export Sea Customs Revenue in the North Concan on articles the produce of that district, valued at 9,60,000 rupees, and of which no less than 7,20,000 rupees appertain to rice and other grain, exceeds three lacs and forty-four thousand (3,44,000*) rupees, equal to $35\frac{3}{4}$ per cent., we propose to consider all duty heretofore levied in excess of $5\frac{3}{4}$ per cent., as a relief that must be extended to this impoverished district under any circumstances, and to deduct the sum of 2,88,982 † rupees from the amount of future deficit likely to arise from the operation of the Bengal Act XIV. of 1836, as a sacrifice entirely unconnected with the introduction of the principle of that Act into the Bombay territories at this time, thereby leaving the deficit in the Sea Customs at subordinates to be made good from other sources, at—

* Say Rs. 3,44,370.

| | |
|---|---|
| *Rs.* | 7,75,631, less |
| | 2,88,982, or |
| | 4,86,649 |

13. The amount of Sea Customs revenue realized at the port and island of Bombay in the year 1835–36, per Statement herewith, Enclosure (G.), and which is

† As 35·75 : 3,44,370 : : 5·75 : 55,388, which, deducted from 3,44,370, leaves 2,88,982.

| | | | *Rs.* |
|---|---|---|---|
| is considered to be entirely relinquished to make room for the new Act and Tariff, was 10,00,015 rupees, say - - - | | | 10,00,000 |
| The salt duties to be given up yield, per statement accompanying the Committee's letter to the Bombay Government of the 2d November 1836, of which a copy is enclosed, *Rs.* | | 5,00,000 | |
| But from this must be deducted that portion of the above amount which is shown in the third column of the Statement in question, to be levied as transit duties in the Poonah, Sholapore, Candeish, Ahmednuggur and Dharwar districts, and which is included, therefore, in the sum of 13,50,000 rupees, stated to be relinquished in para. 5 of this letter, 1,42,340 rupees, or say - *Rs.* | 1,42,000 | | |
| There must also be deducted a portion of the sum of 3,38,824 rupees, shown as the average total revenue realized from salt in the manufacturing districts of Ahmedabad, Kaira, Broach, Surat, Tannah and Rutnagherry, since the above sum, 3,38,824 rupees includes transit duties, which have also been brought to account in the large sum of 13,50,000 rupees; the Committee conceive that they do not over-rate the portion so credited in stating it at - - - *Rs.* | 1,00,000 | | |
| | | 2,42,000 | |
| | | | 2,58,000* |
| | | *Rs.* | 12,58,000 |

*See* below. which added to the other items already noticed and re-stated in the margin,† will make the total amount of revenue relinquished, exclusive of the separate relief to the North Concan, thirty lacs ninety-four thousand six hundred and forty-nine (30,94,649) rupees, or say in round numbers, thirty lacs and ninety-five thousand (30,95,000) rupees.

14. To make good this sum as far as seems practicable at present, we have the new salt duties at 8 annas per Indian maund, estimated by the statement to the

| | | |
|---|---|---|
| Bombay Government alluded to in para. 12 to produce - - | | 15,14,000 |
| Less the charge of collection, for which we now allow - | 2,00,000 | |
| And the duty on salt exported to Madras and Calcutta, which will of course operate as a diminution of present revenue at those Presidencies, and may be credited to them if it should be so desired - - - - - | 2,25,000 | |
| | | 4,25,000 |
| | | 10,89,000 |
| Amount realizable under Bengal Act XIV. of 1836, as modified for Bombay, per Statement enclosed (H.) - - - - - | | 13,19,000 |
| Amount of import and export duties still to be realized in the Concans and Guzerat under the above Act, Enclosure (I.) - | | 1,73,000 |
| *Rs.* | | 25,81,000 |

Leaving

* The average amount of revenue derived from salt in the Bombay Presidency for four years, 1832–33 to 1835–36, per Accountant-general's annual statement, is only 2,12,114 rupees per annum—*vide* Enclosure (K.)—so that this amount, 2,58,000 rupees, may be considered to exceed the real amount realized from that source.

† Transit Duties throughout the Presidency - - - - 13,50,000
Sea Customs, Concans and Guzerat - - - - 4,86,649
Bombay Sea Customs and Salt Revenue - - - - 12,58,000
30,94,649

Leaving a deficit of 5,14,000 rupees, to which must be added the amount of compensation to be given to individuals for hugs, &c., relinquished, which the Right honourable the Governor in Council of Bombay does not suppose will exceed a lac of rupees per annum, and hopes will fall considerably below that amount,* and also the allowance which it is proper to make for the further amount of drawback which will be paid by Government on such portion of the additional amount now credited in Statement (H.) as duty at $1\frac{1}{2}$ and 3 per cent. on unenumerated articles by British and foreign ships (to raise the duty to 5 per cent. in the one case, and 10 per cent. in the other) as may belong to re-exports of those articles, say together, one lac and ten thousand (1,10,000) rupees, making the total loss consequent on the measures thus submitted to the notice of the Government of India, six lacs and twenty-four thousand (6,24,000) rupees, in the first instance.† This loss might, however, be further reduced, say to the extent of sixty or seventy thousand rupees, or to something between five lacs and fifty thousand (5,50,000) rupees, and five lacs and sixty thousand (5,60,000) rupees, by lowering the drawback at Bombay from $\frac{3}{4}$, as calculated in Enclosure (H.), to $\frac{4}{8}$, or one-half of the import duty originally levied, should the Right honourable the Governor-general in Council not think it advisable at present to grant to goods re-exported from Bombay the full amount of drawback conceded to goods similarly situated in Bengal; but such diminished drawbacks would operate very unfavourably on the re-export of all articles that are to pay an import duty hereafter of more than 5 per cent., particularly on coffee, cassia, camphor, pepper, &c. shipped to Great Britain, and would possibly diminish the import of those articles into Bombay from China and other parts in time to come. The difficulty might, no doubt, be got over, by fixing the drawback on all articles liable to the higher import duties of $7\frac{1}{2}$ and 10 per cent. at three-fourths ($\frac{3}{4}$) instead of one-half of such duties, but this would be a departure from the principle of uniformity which the Committee desire to see established, and of which we shall have occasion to speak more particularly in a subsequent paragraph.

15. It is right we should add, that of the total loss shown above, one lac and fifteen thousand rupees may be ascribed to the adoption of the rate of 3 per cent. as the sea export duty of the Bombay Presidency, instead of 5 per cent., as recommended by the Committee in November last, Enclosure (I.), and it is also due to the Bombay commercial community to state, that in taking into the foregoing account the full amount of fees at present realized at that port, we do in reality include a sum which does not strictly belong to Government Customs Revenue. The fees in question were originally levied for the benefit of the Custom-master and his Assistant, under the authority of clause 12, section VIII. Regulation VI. 1799, according to a list there given, and this clause is still unrepealed. They were appropriated to the joint use of the parties above-mentioned, conformably with the scale laid down in the Regulation to which we have just adverted, until the year 1808 or 1809, when, in consequence of the increased amount realized from this source, the surplus beyond fifty thousand (50,000) rupees per annum to the Custom-master, and twelve thousand rupees or thereabouts to his Assistant, was ordered to be paid into the Company's Treasury, to the credit of Government. The duties of the Collector of Land Revenue in Bombay have since been added to those of Collector of Customs (as the officer at the head of the latter department is now called), and the salary of the joint offices reduced to thirty-six thousand rupees per annum. Rupees 1,29,298.

16. This appropriation of fees raised for a specific purpose to the subsequent use of Government, has always been viewed by the mercantile community at Bombay as an unequitable, if not illegal addition to the Government Customs Revenue, particularly since the Collector's remuneration for services performed in the department of Land Revenue has been paid from the above fund, and we have reason to believe, that a portion at least of that body look forward to the abolition of the fees in question, to the extent of the surplus amount carried to the credit of Government without the condition of an equivalent in some other shape, as a measure of justice that will not be withheld from them in the pending revisal and amelioration of the existing Customs Laws.

17. It

* Para. 23 of Mr. Secretary Willoughby's letter to Mr. Secretary Prinsep, of the 24th April 1837.
† An abstract statement of the financial result thus shown is forwarded herewith, as Enclosure (L.)

17. It will be observed, that in framing the statement of future Customs Revenue realizable at the port of Bombay under Act XIV. of 1836, with certain modifications, Enclosure (H.), and estimating the amount of drawback receivable by the public on re-exports, we have adopted the scale of return authorized by that Act, viz. 7-8ths of the duty levied on import, and suggested in paragraph 14 of this letter, a reduced scale of 4-8ths return on re-export as the means of materially diminishing the sum to be repaid by Government, should the Right honourable the Governor-general in Council continue to be of opinion that the introduction of the large scale into the Bombay tariff would be a greater boon than Government can afford to concede to the trade of the Bombay Presidency at the present time; we are of opinion, after having given the subject of drawbacks generally, and the rates proposed for Bombay in the 3d paragraph of your letter of the 24th ultimo, No. 39 in particular, full and mature consideration, that the reduced scale in question, $\frac{4}{8}$ or $\frac{1}{2}$, or any other uniform rate that his Lordship in Council may be disposed to sanction, will be preferable in every respect to a diversity of rates, according to the places and countries of eventual destination, both as regards the convenience of the public, and the interests of Government; and it is very satisfactory to us to observe, that our sentiments on this point are in accordance with those entertained by his Lordship in Council, as communicated to the Government of Bombay in your letter to Mr. Secretary Willoughby also, of the 24th ultimo, No. 38.

18. Whilst on the subject of drawbacks, it is desirable we should state with reference to the 2d and 3d paragraphs of our present address, that the Statement (D.) accompanying our Report No. V. of the 29th June 1836, showing the description and value of goods re-exported from Bombay to places other than British Indian ports, together with the duty originally leviable on the same, and the amount of duty to be returned on re-export, according to the present practice of Bengal, was prepared from the trade returns of the Bombay Presidency for the years 1830-31, 1831-32, and 1832-33, furnished by the Reporter-general of External Commerce at Bombay, for the information of the Supreme Government, and were the latest returns procurable here at that time. The value of goods re-exported according to that statement, exclusive of cotton and sugar, was 85,59,051 rupees; the amount of duty originally levied, 3,74,810 rupees; and of drawback at $\frac{7}{8}$ of the foregoing sum - - - - - - - - - - - 3,27,361

The drawback on cotton to Europe, valued at 38,05,500 rupees, being the full amount of duty levied, 5 per cent. was stated at - - 1,90,275

And on sugar, valued at 22,81,450 rupees, with duty at $3\frac{1}{2}$ per cent., also partly in full - - - - - - - *Rs.* 23,396
and partly $\frac{7}{8}$ - - - - - - - - - 49,472 } 72,868

Total - - - *Rs.* 5,90,504

| | | | |
|---|---|---|---|
| The amount of drawback paid at Bombay on the re-exports of 1835-36, excluding cotton, by the statement of the Collector of Customs, Mr. Bruce, of the 29th June 1836, as arranged in Enclosure (G.) herewith, was - - - - - - - | *Rs.* 40,366 | *Rs.* | |
| Add on the re-export of cotton which had paid duty in Bombay - - - - | 44,956 | | |
| | 85,322 | | |
| And it appears by a memorandum annexed to that statement, that there were further sums paid at Bombay as drawback on cotton and other articles (but we may say, principally cotton), exported to the United Kingdom, the duties on which were levied at subordinate ports, amounting to - - - - - - - | 2,71,994 | | |
| | | 3,57,316 | |
| Carried forward - - | - - | 3,57,316 | 5,90,504 |

| | | *Rs.* | *Rs.* |
|---|---|---|---|
| Brought forward - - - | - - | 3,57,316 | 5,90,504 |
| Mr. Bruce calculates the return of duties to be made on the imports of 1835–36, re-exported according to the provisions of Act XIV. of 1836, *vide* statement (C.) accompanying our letter to the Bombay Government, of the 15th November 1836, and our present Enclosure (H.), cotton excluded, at - - - - - - | *Rs.* 1,54,790 | | |
| From which, deduct the amount actually returned on the same goods as above - | 40,366 | | |
| And we have an increase of drawback from the operation of the new law of - - | - - | 1,14,424 | |
| | | | 4,71,740 |
| Being short of our former Estimate | - - | - - *Rs.* | 1,18,764 |

Which the Committee have no means of accounting for at present, except by supposing either that Mr. Bruce has omitted the article of sugar to which we had given a return of the whole duty levied, in his calculation of 7-8ths, or that the Bombay trade returns give the value of articles re-exported, at the market price of the day at the time and place of export, or with duties and all other charges, local profit included, superadded, instead of the import valuation, and that our estimate of drawback, which are of course paid by Government on import valuations, is consequently in excess of the true amount of drawbacks paid at Bombay.

19. Mr. Bruce has been requested to furnish the Committee with the particulars of the sum of 1,54,790 rupees, returned as the drawback payable on the trade of the port of Bombay in the statement already alluded to, and we shall be able, we trust, to submit the same to the Right honourable the Governor-general in Council, long before the draft referred to our consideration can pass into law. In the mean time we will briefly add, that it is more likely we should err, from the imperfect data on which we had to depend in our former calculations, than that the Collector of Customs at Bombay, with every material for a correct statement at hand, should either under or over-estimate the amount of duty leviable, and drawback payable, by the proposed new system, on goods that had actually passed through the Custom-house, under the existing laws of that Presidency.

20. We should feel it necessary to apologise to his Lordship in Council for the great length of our observations on this portion of the subject referred to the Committee, were we not satisfied that our desire to furnish his Lordship with the most authentic statements in our power, and to put him in full possession of the data on which our calculations and opinions are founded, together with the general importance of the questions under consideration, will be viewed by his Lordship as a sufficient excuse for more than usual detail; and we will only add, as regards the amount of revenue to be relinquished under the Bombay Presidency, from the abolition of transit duties and the introduction of a new Customs system, that it has been our wish on the present as on all former occasions, rather to place before his Lordship an amount of loss, in excess of that likely to attend the measures under consideration, than incur the risk of future disappointment to Government by adopting and encouraging more sanguine expectations than the materials at our command, and circumstances generally, would fairly warrant.

We have, &c.
(signed) *J. H. Crawford.*
*W. R. Young.*
*H. Borradaile.*
*H. Babington.*

(signed) *G. J. Siddons*, Hon. Member.
*T. J. Taylor*, Sec.

# APPENDIX.

## Enclosure (A.), *vide* Para. 4, Report XI.

THE following (says the Revenue Commissioner, Mr. Williamson, in his letter to Mr. Secretary Willoughby of the 5th May 1837, No. 749 of 1837) is the estimated loss from the abolition of the transit and town duties, on an average of three years.

| | | | |
|---|---|---|---|
| Guzerat, amount of Land Customs, Town Duties, and Mookhauts | (*a*) | 7,58,000 | – – |
| Candeish Land Customs and Town Duties | (*b*) | 1,62,000 | – – |
| Nuggur Land Customs and Town Duties | (*c*) | 1,62,012 | 7 6 |
| Poonah Land Customs and Town Duties, average of two years | (*d*) | 2,18,046 | 10 3 |
| North Concan, ditto | (*e*) | 1,65,001 | – – |
| South Concan, ditto | (*f*) | 26,332 | 7 7 |
| | *Rs.* | 14,91,392 | 9 4 |

(*a*) Average of three years per statement accompanying Collector of Customs Mr. Pelly's letter to Revenue Commissioner, dated 18th August 1836 (years not stated).

(*b*) Average of three years, 1832–33, 1833–34, 1834–35, per Collector Mr. Boyd's letter to Revenue Commissioner, dated 15th September 1836.

(*c*) Year 1834–35, per statement appended to letter from Collector Mr. Harrison to Revenue Commissioner, dated 30th July 1836.

(*d*) Average of two years, 1833–34, 1834–35, per statement appended to letter from Principal Collector Mr. Mills, to Revenue Commissioner, dated 14th December 1836.

(*e*) Average of three years, per letter from the Acting Collector Mr. Simson, to Revenue Commissioner, 8th August 1836 (last three years).

(*f*) Average of three years, per statement annexed to Collector Mr. Glass's letter to Revenue Commissioner, dated 19th August 1836.

| | | |
|---|---|---|
| Amount of loss from the abolition of the Transit and Town Duties in the Dekhan, Concans and Guzerat, as shown by the Revenue Commissioner Mr. Williamson | 14,91,392 | 9 4 |
| | (*carried to p. 98*) | |

There seems to be some doubt whether the return from Poonah (Rs. 2,18,046. 10. 3. (*d*) includes the revenue derived from transit duties in the sub-collectorate of Sholapore, which appears to have amounted to 49,867 rupees per annum on an average of the last three years of the returns beforethe Committee as follows (*vide* Sub-Collector Mr. Luard's letter to Principal Collector of 1st August 1836) :—

| | |
|---|---|
| 1833–34 | 53,200 |
| 1834–35 | 45,201 |
| 1835–36 | 51,200 |
| | 1,49,601 ÷ 3 |
| | 49,867 |

These items, or others of so nearly similar amount as to leave no doubt of their referring to the Sholapore Collections, are included in a statement of earlier date furnished to the Revenue Commissioner by the Principal Collector of Poonah on the 30th August 1836, and the amount there shown as the average of the same years as given in Statement (A.) compiled from the annual returns made to the Accountant-general in Bengal by the Accountant-general in Bombay, accompanying the Committee's letter to the Bombay Government, No. 345 of the 15th November 1836, so as to make it not unreasonable to suppose that the Principal Collector's present return to the Revenue Commissioner falls short of the actual collections by about 20,000 rupees, though the Committee do not feel themselves sufficiently confident on that point, to make any addition to the realizations of the Poonah Collectorate, as forwarded by the Revenue Commissioner at this time.

2. The annexed Statement, No. 1, says the Principal Collector (in his letter of the 30th August 1836) will show the amount of the duties on these articles, framed with as much accuracy as the records in this office, and those I have been able to procure, will admit of.

3. The

3. The statements, however, show the amount of transit duties, independent of other sources of revenue derived by the Land Custom farmer, such as sheep, bytuck, &c. &c., of the receipts of which account it is almost impossible to form a correct estimate; the fairest criterion, therefore, of the resources of the state from this branch is the amount for which the farm of Land Customs sold by public auction; and the following brief statement of the amount which the Customs farms realized for the last four years, will show the sacrifice which will be made by Government, if they relinquish the transit duties altogether, as follows:

| YEAR. | Principal Divisions, Eight Talooks, and City. | Subdivision. | Total. |
|---|---|---|---|
| 1832-33 - - - | 1,95,000 - - | 60,170 - - | 2,55,170 - - |
| 1833-34 - - - | 1,90,000 - - | 53,200 - - | 2,43,200 - - |
| 1834-35 - - - | 1,86,160 - - | 47,209 - - | *2,33,169 - 8 |
| 1835-36 - - - | 2,04,880 - - | 53,248 - - | 2,58,128 - - |
| | 7,76,040 - - | *2,13,627 - - | 9,89,667 - 8 |
| These ÷ by 4, will give | 1,94,010 - - | 53,406 12 - | 2,47,416 12 2 |

The average of the two years 1833-34 and 1834-35, taken from the preceding statement, would, as already mentioned in general terms, be in excess of the Collector's later statement as under:

| | | | |
|---|---|---|---|
| 1833-34 - - - - - - - - | 2,43,200 | - | - |
| 1834-35 - - - - - - - - | 2,33,169 | - | 8 |
| | 2) 4,76,369 | - | 8 |
| | 2,38,184 | 8 | 4 |
| Deduct - - - | 2,18,046 | 10 | 3 |
| Difference - - - | *Rs.* 20,137 | 14 | 1 |

and for the same years, per statement accompanying Committee's letter, 15th November 1836, (A.), as follows:

| | | | |
|---|---|---|---|
| 1833-34 - - - - - - - - | 2,36,511 | - | - |
| 1834-35 - - - - - - - - | 2,40,641 | - | - |
| | 2) 4,77,152 | - | - |
| | 2,38,576 | - | - |
| Deduct - - - | 2,18,046 | 10 | 3 |
| | *Rs.* 20,529 | 5 | 9 |

Southern

* *Mem.*—There is an error in these additions of 200 rupees, unless the item 47,209. 8, should have been 47,009. 8.

Southern Mahratta country, per statement from Acting Principal Collector Mr. Dunlop, to Accountant-general Bombay, Dhawar, 10th January 1836.

| | | | | *Rs.* | *a.* | *p.* |
|---|---|---|---|---|---|---|
| *Brought from page* 96 - - - - - | | | | | 14,91,392 | 9 | 4 |
| 1832–33, Amount engaged by contractors to be paid to Government - - - - - - - | | 2,06,661 | 12 | 4 | | | |
| 1833–34 - - - - - - - - - | | 1,98,244 | 4 | 5 | | | |
| 1834–35 - - - - - - - - - | | 1,73,225 | 9 | – | | | |
| 3) | | 5,78,131 | 9 | 9 | | | |
| | | 1,92,710 | 8 | 7 | | | |
| Levied by farmer on account of Roosoomdars and Koomarkies, and which, as the amount is paid to those persons, must, I conceive, be made good by the State, when the inland Customs are abolished: | | | | | | | |
| 1832–33 - - - - - | 29,173 | 4 | 8 | | | | |
| 1833–34 - - - - - | 26,032 | 9 | 1 | | | | |
| 1834–35 - - - - - | 28,186 | 1 | 7 | | | | |
| ÷ 3) | 83,391 | 15 | 4 | | | | |
| | | 27,797 | 5 | 1 | | | |
| | | | | | 2,20,507 | 13 | 8 |
| TOTAL - - - *Rs.* | | | | | 17,11,900 | 7 | – |

*Note.*—The Land Customs Revenue from the Southern Mahratta Country, in the six years' statement referred to above, gives as nearly as possible the same average in the last three years as I have shown above:

| | | |
|---|---|---|
| 1832–33 - - - - | 1,90,968 | 5,79,758 ÷ 3 = *Rs.* 1,93,252 per annum. |
| 1833–34 - - - - | 1,65,790 | |
| 1834–35 - - - - | 2,23,000 | |

*Further note.*—There appears to be also a sum of about 20,000 rupees per annum paid by the farmer on account of Sebundies; but these, it is presumed, are required for his own purposes, and would be discontinued on the abolition of the transit duties. If necessary for other purposes, their cost can have no connexion with that measure.

| | | *Rs.* | *a.* | *p.* |
|---|---|---|---|---|
| Total amount of Revenue derived from Inland Customs, Transit Duties and Town Duties under the Bombay Presidency (the island of Bombay excepted), which will be sacrificed if the whole of those duties are relinquished, including compensation to Roosoomdars and Koomakies in the Southern Mahratta country (27,797. 5. 1.) - - | | 17,11,900 | 7 | – |
| Deduct mookauts and town duties in Guzerat, to be retained as per average of 1832–33, 1833–34, 1834–35, per separate statement - | | 3,78,499 | – | – |
| Loss - - - | *Rs.* | 13,33,401 | 7 | – |
| It may be satisfactory to observe, that the amount of sacrifice on an average of six years, *i. e.* 1829–30 to 1834–35, accompaniment (A.) to Committee's letter of 15th November 1836, does not differ very materially from the above, being - - - - - - | *Rs.* | 13,77,923 | – | – |
| And that the result deduced from the three last of those years, per separate Statement (B.) herewith, is in almost exact accordance with the above, being - - - - - - - - - - | *Rs.* | 13,33,944 | – | – |
| We cannot, therefore, be very far wrong in estimating the loss of revenue in this case at 13½ lacs, thus making allowance for the possible error in the Poonah Collector's statement to nearly its full amount - - - - - - - - - - | *Rs.* | 13,50,000 | – | – |

The foregoing sum of 13,50,000 rupees must be considered as net revenue given up, as the Collectors of Poonah, Ahmednuggur, Candeish, Tannah and Rutnagherry all state in reply to the Revenue Commissioners' Inquiry on the subject, that the transit duties being in farm, no establishments are kept up, and no saving can in consequence be effected. The Committee have no advice on that head from the Collector in the Southern Mahratta Country, but the transit duties being in farm there also, it is to be inferred that no saving can be made there. The Collector of Customs in Guzerat and the North Concan thinks there

there may be a possible saving of 18,000 rupees per annum on account of establishment, charitable allowances and hugs, but this is so inconsiderable an amount, and as it seems to the Committee of such doubtful realization, that it is not worth while to look upon it as a probable saving at this time.

Customs and Post-Office Committee, Calcutta, 24 June 1837. (signed) *T. J. Taylor*, Secretary.

## Enclosure (B.), *vide* Para. 5, Report XI.

STATEMENT showing the Proceeds, on Average of Three Years, 1832–1833, 1833–34, 1834–35, of the Gross LAND CUSTOMS, including Guzerat Town Duties, in the two Divisions of the *Bombay* Presidency, extracted from the larger Statement (A.) for Six Years, 1829–30 to 1834–35, accompanying Customs Committee's Letter to the Bombay Government of the 15th November 1836.

### DEKHAN AND CARNATIC.

| | Poonah. | Ahmednuggur. | Candeish. | Carnatic, Dharwar, &c. | TOTAL. | | North Konkan. | South Konkan. | TOTAL. |
|---|---|---|---|---|---|---|---|---|---|
| 1832–33 - | 2,72,675 | 1,36,603 | 1,49,911 | 1,90,968 | 7,50,157 | 1832–33 | 2,33,836 | 24,401 | 2,58,237 |
| 1833–34 - | 2,36,511 | 1,60,273 | 1,40,648 | 1,65,790 | 7,03,222 | 1833–34 | 2,17,167 | 24,270 | 2,41,437 |
| 1834–35 - | 2,40,641 | 1,51,117 | 1,82,927 | 2,23,000 | 7,97,685 | 1834–35 | 2,27,435 | 27,110 | 2,54,545 |
| ÷ 3 | 7,49,827 | 4,47,993 | 4,73,486 | 5,79,758 | 22,51,064 | ÷ 3 | 6,78,438 | 75,781 | 7,54,219 |
| | 2,49,942 | 1,49,331 | 1,57,828 | 1,93,252 | 7,50,354 | | 2,26,146 | 25,260 | 2,51,406 |

| | *Rs.* |
|---|---|
| Dekhan and Carnatic - - - - - - - - - - | 7,50,354 |
| Konkans - - - - - - - - - - - | 2,51,406 |
| Guzerat - - - - - - - - - - - | 3,32,184 |
| *Rs.* | 13,33,944 |

### GUZERAT, Northern Division.

| | Honourable Company. | Guicowar Subsidiary. | TOTAL. | | Surat, Mookauts. | Ahmedabad, Town Duty. | District Town Duty. | TOTAL. |
|---|---|---|---|---|---|---|---|---|
| 1832–33 - | 4,24,765 | 3,37,594 | 7,62,359 | 1832–33 - | 1,53,248 | 1,51,463 | 1,03,949 | 4,08,660 |
| 1833–34 - | 4,05,522 | 2,53,741 | 6,59,263 | 1833–34 - | 1,34,928 | 1,09,625 | 94,578 | 3,39,131 |
| 1834–35 - | 3,99,005 | 3,11,423 | 7,10,428 | 1834–35 - | 1,41,801 | 1,48,239 | 97,667 | 3,87,707 |
| ÷ 3 | 12,29,292 | 9,02,758 | 21,32,050 | ÷ 3 | 4,29,977 | 4,09,327 | 2,96,194 | 11,35,498 |
| | 4,09,764 | 3,00,919 | 7,10,683 | | 1,43,325 | 1,36,442 | 98,731 | 3,78,499 |

| | *Rs.* |
|---|---|
| Total - - - - - - - - - - - | 7,10,683 |
| Deduct Mookauts and Town Duty - - - - - - | 3,78,499 |
| *Rs.* | 3,32,184 |

Customs and Post-Office Committee, Calcutta, 24 June 1837. (signed) *T. J. Taylor*, Secretary.

## Enclosure (C.), *vide* Para. 8, Report XI.

STATEMENT taken from Mr. *Davies*'s Letter and Accompaniments to Mr. *Borradaile*, dated 2 April 1836; showing the Value of the Imports into the Continent through the Tannah Collectorate (or North Concan); and Amount and Description of Duty paid thereon, A. D. 1834–35.

*N. B.*—The Pioneer Road by the Boze Ghaut has added greatly to the premium possessed by Panwell, to the detriment of all other routes.

| Total Value of Imports about - - Rs. 32,00,000. | | | CUSTOMS. |
|---|---|---|---|
| Imported at Panwell, about - - - | Rs. 25,00,000 | - - worth | 50,000 |
| Imported at Bhewndy and at Bassien, about | Rs. 4,00,000 | - - worth | *30,000 |
| Imported at all other Bunders, about - | Rs. 3,00,000 | - - worth | 20,332 |
| | Total Amount levied | - - *Rs.* | 1,00,332 |

| | |
|---|---|
| viz. Eir Suckal - - | 71,592 |
| Bubties - - | 24,293 |
| Zemindaries - - | 4,447 |
| *Rs.* | 1,00,332 |

Speaking of the advantages enjoyed by Panwell, in the portion of the paragraph which immediately precedes the above statement, Mr. Davies says, "No duties are levied on the Panwell Road ad valorem;" every thing is taxed on the load of weight or capacity, according to the description of goods.

(signed) *T. J. Taylor*,
Secretary.

Customs and Post-Office Committee, Calcutta,
24 June 1837.

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## Enclosure (D.) *vide* Para. 8, Report XI.

ABSTRACT STATEMENT arranged from Mr. *Davies*'s Letter and Accompaniments to Mr. *Borradaile*, dated 2 April 1836; showing the Value of the Exports from the Dekhan through the Tannah Collectorate, and the Amount of Duties by Land and by Sea levied thereon, A. D. 1834–35.

| Description and Estimated Value of the Exported Produce of the Dekhan. | | Amount and Description of Duties. | | |
|---|---|---|---|---|
| *Vid* Panwell: | | Duties thereon: | | |
| Cotton - - - - - | 17,61,424 | Net Sea Customs - - - | | 1,17,276 |
| Ghee - - - - - - | 92,000 | | | |
| Cloths, very rich and valuable - | 40,000 | Net Land Customs - - - | | 77,957 |
| Kosam or Safflower - - - | 1,00,000 | | | |
| Grapes - - - - - | 7,000 | | | |
| Fruits, of various kinds - - | 5,000 | Add, zemindar's huks and bubties upon Sea Customs - | | 11,727 |
| Vegetables, &c.; Sheep and Goats - - - - | 30,000 | | | |
| Kerana, or medley of articles paying by the bullock-load - | 2,00,000 | Add, huckdaree bubties, zemindaree on the Land Customs, and exchange and interest on the whole - - - - | | 13,184 |
| *Vid* Bhewndy: | | | | |
| Wheat - - - - - | 3,00,000 | | | |
| Bajvee - - - - - | 1,14,000 | | | |
| Gram - - - - - | 1,00,000 | | | |
| Sheep and Goats - - - | 40,000 | | | |
| Cotton - - - - - | 25,000 | | | |
| Viâ all other Bunders - - | 10,000 | | | |
| | 28,27,424 | | | *2,20,144 |
| | | Deduct, | | |
| | | Land Customs - - | 77,957 | |
| | | " " - - | 13,184 | |
| | | | | 91,141 |
| *Rs.* | 28,27,424 | | | †1,29,003 |
| | | Less duty on cotton - - | | 78,197 |
| | | | *Rs.* | 50,806 |

* Or about 7¾ per cent. ad valorem (7·78 decl.) † Or about 4½ per cent. ad valorem (4·56 decl.)

The total value of Exports from the Dekhan is—

| | | | | Rs. |
|---|---|---|---|---|
| | Rs. 28,27,424 | Total Duties - - - - | | 2,20,144 |
| | | Less the Land Duties - - - | | 91,141 |
| | 28,27,424 | Sea Export Duties - - - | | 1,29,003 |
| Less value of cotton - - - | 17,61,424 | and its duty - - - - | | *78,197 |
| | Rs. 10,66,000 | Duties, Sea Export - - - | | 50,806 |

equal to 4·766 decls., or $4\frac{3}{4}$ per cent.

* This sum is taken from Mr. Davies's detailed return of duty at each port. Under the head of Panwell, and opposite to the same, *i. e.*, Rs. 78,197, he writes thus: "The uniform rate of five per cent. had not been introduced upon cotton in the beginning of this season."

(signed) *T. J. Taylor*,
Secretary.

Customs and Post-Office Committee, Calcutta,
24 June 1837.

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## Enclosure (E.) *vide* Para. 8, Report XI.

ABSTRACT STATEMENT arranged from Mr. *Davies's* Letter and Accompaniments to Mr. *Borradaile*, dated 2 April 1836; showing the Value of the Exported Produce of the North Concan, and the Amount of Duties by Land and by Sea, levied thereon, A. D. 1834-35.

| Description and Value of the Exported Produce of the North Konkan, estimated from the Actual Exports. | | Amount and Description of Duties. | | |
|---|---|---|---|---|
| *Vid* Panwell, Bassein, Callian, Bhewndy, and Penn: | | Duties thereon: | | |
| Rice, valued at about - - (Being estimated at 40,000 candies.) | 6,20,000 | Net Customs - - - - | | 1,79,992 |
| | | Net Land Customs - - - | | 1,17,686 |
| Grain, valued at about - - | 50,000 | Add, zemindaree, hugs and bubties on the Sea Customs - | | 1,64,378 |
| *Vid* Omergaum, &c.: | | Add, hucks, bubties, &c., on the Land Duties, exchange and interest on the whole - - | | 21,480 |
| Wood for building and burning, valued at - - - - | 1,50,000 | | | |
| Other poor grains, of various sorts - - - - - | 50,000 | | | |
| Salt fish - - - - - - | 50,000 | | | |
| Cocoa-nuts - - - - | 10,000 | | | |
| Sundries - - - - | 30,000 | | | |
| | 9,60,000 | | | *483,536 |
| | | Deduct, | | |
| | | Land Customs - - | 1,17,686 | |
| | | „ „ - - | 21,480 | |
| | | | | 1,39,166 |
| Rs. | 9,60,000 | | Rs. | †3,44,370 |

* Or about 50 per cent. ad valorem (50·36 decls.)
† Or about $35\frac{3}{4}$ per cent. ad valorem (35·87 decls.)

Customs and Post-Office Committee, Calcutta,
24 June 1837.

(signed) *T. J. Taylor*,
Secretary.

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## Enclosure (F.), *vide* Para. 8, Report XI.

STATEMENT showing the Sea Export Duties levied on all Articles except Cotton, exported from *Guzerat*, in the under-mentioned Years; compiled from Returns furnished by the Collector of Customs in Guzerat, dated 12 October 1835.

| PORTS OF EXPORT. | 1832–33. | 1833–34. | 1834–35. |
|---|---|---|---|
| Surat | 51,700 | 48,468 | 51,485 |
| Broach | 16,416 | 13,922 | 12,708 |
| Tunkaree | 6,073 | 4,828 | 6,014 |
| Dholera | 4,328 | 1,874 | 4,792 |
| Bhowharee | 32,861 | 3,498 | 3,663 |
| Gogo | 9,154 | 6,575 | 8,294 |
| Bhownugger | 14,489 | 4,251 | 3,549 |
| Bulsaur | 5,963 | 12,366 | 18,234 |
| Bugwarra | 1,268 | 5,743 | 6,012 |
| Nowsaree | 925 | 787 | 1,588 |
| Gundavee | 3,166 | 3,345 | 5,046 |
| Cambay | — | — | — |
| *Rs.* | 1,46,343 | 1,05,657 | 1,21,385 |

| | |
|---|---|
| 1832–33 | 1,46,343 |
| 1833–34 | 1,05,657 |
| 1834–35 | 1,21,385 |
| | 3) 3,73,385 |
| | *Rs.* 1,24,461 per annum. |

Customs and Post-Office Committee, Calcutta,
24 June 1837.

(signed) *T. J. Taylor*,
Secretary.

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## Enclosure (G.), *vide* Para. 13, Report XI.

The present Revenue at Bombay is, by Mr. Bruce's Customs Statement for 1835–36, as follows:

| | | | | *Rs.* | | |
|---|---|---|---|---|---|---|
| Import Customs at 2½ per cent. | | | | 5,46,819 | 1 | 8 |
| Additional Duty at 1 per cent. | | | | 1,47,885 | 12 | 4 |
| Duty on Foreign Goods, at 4½ per cent. | | | | 39,730 | 6 | — |
| | | | | 7,34,435 | 4 | — |
| Less Drawback on 2½ per cent. | 14,388 | 12 | 11 | | | |
| On additional Duty, 1 per cent. | 25,212 | 2 | 3 | | | |
| On Duty at 4½ per cent. | 765 | 5 | 6 | | | |
| | 40,366 | 4 | 8 | | | |
| Less also repaid on 2½ per cent. | 9,743 | 9 | 7 | | | |
| An additional Duty 1 per cent. | 3,897 | 7 | — | | | |
| | 13,641 | — | 7 | | | |
| | | | | 54,007 | 5 | 3 |
| | | | | 6,80,427 | 14 | 9 |
| Fees | | | | 1,29,298 | 12 | 9 |
| Tobacco farmed | | | | 70,000 | — | — |
| Spirituous Liquors | | | | 1,04,930 | 5 | — |
| | | | | 9,84,657 | — | 6 |
| Customs at 3½ per cent. on Goods exported in Foreign Vessels | | | | 15,458 | 10 | 1 |
| TOTAL of Customs, exclusive of items below | | | *Rs.* | 10,00,115 | 10 | 7 |

| | | | |
|---|---|---|---|
| Add, Customs on Cotton - - - - - - | 1,18,395 12 11 | *Rs.* | |
| Less Drawback - - - - - - - | 44,956 14 3 | | |
| | | 73,438 14 8 | |
| Add, Town Duty, 1½ per cent. - - - - - | 1,50,186 15 10 | | |
| Less Drawback - - - - 10,821 7 8 | | | |
| Repaid - - - - - - 563 9 6 | | | |
| | 11,385 1 2 | | |
| | | 1,38,801 14 8 | |
| Passage-boats - - - - - - - - - - | | 7,434 11 4 | |
| Warehouse-rent - - - - - - - - - - | | 1,466 15 3 | |
| | *Rs.* | 2,21,142 7 11 | |

| | | | |
|---|---|---|---|
| The first sum is the amount derived from legitimate sources of Customs Revenue - - - - - - - - - - - - | | 10,00,115 10 7 | |
| The two next items, duty on Cotton and Town Duty, are equally Customs Revenue, but as the amount realized from the former will be very nearly the same by the new system as by the old, it will not enter either calculation - - *Rs.* | 73,438 14 8 | | |
| Town Duty will be collected under both systems - - | 1,38,801 14 8 | | |
| | 2,12,240 13 4 | | |
| Passage-boats are not legitimate Customs Revenue, but will be equally realizable under both systems - - - - - 7,434 11 4 | | | |
| Warehouse-rent the same - - - 1,466 15 3 | | | |
| | 8,901 10 7 | | |
| | | 2,21,142 7 11 | |
| TOTAL - - *Rs.* | | 12,21,258 2 6 | |

which agrees with the sum total of Customs Collections, as shown in Mr. Bruce's Statement, accompanying his letter to the Bombay Government, dated Poonah, 26 July 1836.

Customs and Post-Office Committee, Calcutta, 24 June 1837. (signed) *T. J. Taylor*, Secretary.

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## Enclosure (H.), *vide* Para. 14, Report XI.

STATEMENT by Mr. *Bruce*, the Collector of Customs at Bombay, of the probable Customs Revenue realizable at the Port, from the adoption of the Bengal Tariff, Accompaniment No. 3, to the Appendix to his Letter to the Bombay Government of the 26th July 1836, remodelled by the Customs Committee at Calcutta, conformably with the views of the Government of India, as conveyed to them in Mr. Secretary Prinsep's Letter of the 24th May 1837.

| ARTICLES. | Value. | Rate of Duty. | Amount of the probable Customs. |
|---|---|---|---|
| When imported on British Bottoms, Marine Stores, the produce or manufacture of the United Kingdom, or of any British Possession. | 1,23,756 | at 3 p' ct. | 3,712 |
| Ditto - ditto - country ditto - - - | - - | at 6 p' ct. | |
| Metals, wrought or unwrought, the produce or manufacture of the United Kingdom, or any British Possession. | 29,65,755 | at 3 p' ct. | 88,972 |
| Ditto - excepting Tin, the produce or manufacture of any other places. | 3,89,258 | at 6 p' ct. | 23,355 |
| Tin, the produce of any other place than the United Kingdom, or any British Possession. | 1,48,908 | at 10 p' ct. | 14,890 |
| Woollens, the produce or manufacture of the United Kingdom, or any British Possession. | 5,84,017 | at 2 p' ct. | 11,680 |
| Ditto - the produce of any other place or country. | - - | at 4 p' ct. | |
| Cotton and Silk Piece Goods, Cotton Twist and Yarn, the produce of the United Kingdom, or any British Possession. | 60,72,305 | at 3½ p' ct. | 2,12,530 |
| Ditto - the produce of any other place - - | 18,69,370 | at 7 p' ct. | 1,30,855 |
| Alum - - - - - - - - - - | 90,678 | at 10 p' ct. | 9,067 |

| ARTICLES. | Value. | Rate of Duty. | Amount of the probable Customs. | — |
|---|---|---|---|---|
| Camphor | 90,678 | at 10 p' ct. | 12,671 | |
| Cassia | 1,65,271 | at 10 p' ct. | 16,527 | |
| Cloves | 84,615 | at 10 p' ct. | 8,461 | |
| Coffee | 5,12,811 | at 7½ p' ct. | 38,460 | |
| Nutmegs and Mace | 65,306 | at 10 p' ct. | 6,530 | |
| Pepper | 49,476 | at 10 p' ct. | 4,947 | |
| Rattans | 10,272 | at 7½ p' ct. | 770 | |
| Tea | 2,14,143 | at 10 p' ct. | 21,414 | |
| Vermilion | 2,860 | at 10 p' ct. | 286 | |
| Wines and Liquors | 2,84,953 | at 10 p' ct. | 28,495 | |
| Tobacco, Europe and American, per Indian seer | - - | 1 anna | | |
| Ditto - Country, per Indian maund | *See* Note (*a*) | 2 annas | 6,487 | |
| Ditto - Snuff, per Indian seer | - - | 4 annas | | |
| Tobacco, imported into the island of Bombay, per Indian maund. | *See* Note (*b*) | 9 rupees | 70,000 | |
| Spirits, consolidated duty, including 3½ per cent. Customs, and special duty at eight annas per gallon. | - - | 9 annas per gallon. | 1,04,930 | |
| All Articles not included in the above enumeration - 1,03,03,145 at 3½ p' ct. 3,60,609 | | | | |
| Ditto - ditto additional - - - at 1½ p' ct. 1,54,548 | 1,03,03,145 | at 5 p' ct. | 5,15,157 | |
| 1,03,03,145 at 5 p' ct. 5,15,157 | | | | |
| | 2,40,27,577 | - - | 13,30,196 | 13,30,196 |
| Imports on Foreign Bottoms: | | | | |
| Books | 5,044 | at 6 p' ct. | 302 | |
| Marine Stores | 13,503 | at 12 p' ct. | 1,620 | |
| Metals | 1,42,404 | at 12 p' ct. | 17,088 | |
| Tin | 29,318 | at 20 p' ct. | 5,863 | |
| Cotton and Silk Piece Goods | 74,372 | at 14 p' ct. | 10,412 | |
| Alum | 4,800 | at 20 p' ct. | 960 | |
| Cloves | 2,13,978 | at 20 p' ct. | 42,795 | |
| Coral | 2,345 | at 20 p' ct. | 469 | |
| Rattans | 1,145 | at 15 p' ct. | 171 | |
| Tea | 2,279 | at 20 p' ct. | 455 | |
| Wine | 1,22,404 | at 20 p' ct. | 24,480 | |
| Add, from former Statement, Country Articles, omitted here, 18,940 less, already paid at subordinate ports. | 9,470 | - - | 9,470 | |
| All Articles not included in the above enumeration - 2,04,095 at 7 p' ct. 14,286 | | | | |
| Ditto - ditto additional - - - at 3 p' ct. 6,122 | 2,04,095 | at 10 p' ct. | 20,408 | |
| 2,04,095 at 10 p' ct. 20,408 | | | | |
| | 8,25,157 | | 1,34,493 | |
| Tobacco | *See* Note (*c*) | | | |
| Spirits - Gallons 20,959 | *See* Note (*d*) | 16 annas per gall. | 9,170 | 1,43,663 |
| | | | | 14,72,859 |
| Deduct drawback, seven-eighths, on above goods (not country) on re-exportation. | - - | - - | - - | 1,54,790 |
| | | | *Rs.* | 13,19,069 |

Note (*a*)—Not being aware of the quantity of each sort of tobacco imported into Bombay in 1835–36, the Committee have made their calculation on the total quantity shown to be imported by Statement (C.), accompanying their letter to the Bombay Government of the 15th November 1836: 1,52,505 Bombay maunds, or 1,14,379 Surat maunds, or 51,894 Indian maunds, at the lowest rate leviable above, viz., two annas per Indian maund, 51,894 × 2 ÷ 16, or Rs. 51,894 ÷ 8 Rs. 6,486·75 dec., or say 6,487 rupees.

Note (*b*)—The rates of duty which the Committee propose to be levied in future on tobacco as excise, are so nearly the same as those which are now in force as town duty, that it has been considered right to credit the same amount in this Statement, 70,000 rupees, as Mr. Bruce credits in his statement of actual receipts in 1835–36 under farm, and on the same principle to adopt his receipts from spirits, 1,04,930 rupees, as above.

Note (*c*)

Note (*c*)—The quantity of tobacco by foreign ships, per statement of the 15th November 1836, is 5,702 Indian maunds, which at 2 annas per maund, as in Note (*a*), would only yield 812 rupees; but as the Committee are doubtful of the real amount that would be realizable, and believe it must be small under any circumstances, they have not inserted any sum against tobacco by foreign ships in this instance.

Note (*d*)—The number of gallons of spirits imported by foreign ships is 20,959; but as the Committee believe that the duties now leviable on all spirits at Bombay, the town duty of 8 annas per gallon included, are comprised in the sum adverted to in Note (*b*), 1,04,930 rupees, they only credit in the present instance the difference between 9 annas and 16 annas, or the additional 7 annas per gallon, which will be leviable hereafter under the operation of the tariff appended to Act XIV. of 1836, on spirits imported into Bombay by foreign ships.

Note (*e*)—The duties on cotton wool have been excluded from this statement, as well as from Enclosure (F.) accompanying the Committee's letter of this date; this has been done with the view of avoiding all error or confusion in respect to drawback, which is returned at Bombay itself on all cotton entitled to it, whether the duty has been paid originally at Bombay or a subordinate port; and as the export duty recommended by the Committee, 9 annas per Indian maund, will differ but little from the duty now levied, 5 per cent., or Rs. 113·40 dec., and the drawback, when claimable, be paid as at present in full, the revenue is not likely to be so materially affected by the change, as to make the introduction of the article into his amended statement an object of importance at this time, particularly when coupled with the inconvenience in respect to the true amount of drawback to be deducted, noticed in general terms above.

Note (*f*)—It is believed that import duty on Bengal sugar of the value of about 12 lacs of rupees, is included in the statement of the Customs Revenue at Bombay for 1835–36, Enclosure (F.), and if so, duty on the same value, but at an increased rate (*i. e.* 5 per cent. instead of 3 per cent.) is necessarily included in the present Statement (H.) also. It is understood to be in the contemplation of the Government of India to recall the permission of free export from Bengal to sugar shipped to Bombay and other British Possessions in the east, and to impose an export duty of 3 per cent. thereon. The levy of this duty at Calcutta will of course diminish the Sea Customs Revenue at Bombay in time to come to the extent of the 3 per cent. in question, as certificates of duty paid in Bengal will be received in diminution of import duty in Bombay, and a difference of 36,000 rupees per annum will be thus created in future in the receipts at the latter port, supposing the value of the sugar imported to remain the same; but as this deficit at the one port will be compensated by increased revenue in the other, the general revenue will not be affected by the change. The Committee of Customs think it right to bring this circumstance to the notice of Government in prevention of future misapprehension respecting their present data, and the calculations they have founded on the same.

Customs and Post-Office Committee,
Calcutta, 24 June 1837.

(signed) *T. J. Taylor*,
Secretary.

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APPENDIX to Enclosure (H.), Report XI.

TOBACCO.

THE duties leviable on tobacco at Bombay, were collected under the authority of Sec. XIX., Chapter V., Regulation XXI. of 1827, which runs as follows:*

"Clause 1. On tobacco imported into the Island of Bombay, shall be levied a duty of 3 Bombay rupees per Bombay maund; on foreign snuff so imported, a duty of one Bombay rupee per 3 lbs., and on ganja so imported, a duty of 87 Bombay rupees per Bombay maund."

"Clause 2. Besides the duties specified in the preceding clause, the general Customs duty of three and a half (3½ per cent.) on the value, shall also be levied on the articles therein mentioned, according to the ordinary rules, with reference to that duty."

The

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* Since this period, however, two Regulations have been passed affecting tobacco, but leaving the articles snuff and ganja untouched. By the first of these Regulations, XXXIII. of 1827, sect. 1, clauses 1, 2, 3, 4, the rates of duty previously levied on tobacco, both at Bombay and in the subordinate zillahs, are rescinded. Tobacco imported into Bombay is made liable to the established Customs as before, and to the same Excise duty as that rescinded, viz. 3 rupees per Bombay maund, whether consumed on the island or again exported; but an alteration is made in respect to drawback, it being declared that tobacco shall not in the latter case be allowed drawback, except on exportation to the United Kingdom; and as regards subordinates, it is declared that the same duty of 3 rupees per Bombay maund payable once, either on export or import, whichever may first take place, shall be levied on tobacco in every port within the zillahs subordinate to Bombay, in addition to the established Customs at each port respectively. Clause 4 further enacts, that tobacco having once paid at any British port the full amount of duty and Customs leviable under clause 2 or 3, whichever may be applicable, shall be exempt from the payment of any additional duty at any other British port either on import or export.

This rate of duty having been found to press too heavily on the subordinate ports, clause 3 of section I. Regulation XXXIII. was rescinded by Regulation XV. of 1828; section II. of which reduced the duty to a half a rupee per Bombay maund, in the following terms: "A duty of half a rupee per Bombay maund payable once either on export or import, whichever may first take place, shall be levied on tobacco at every port within the zillahs subordinate to Bombay, in addition to the established Customs at such ports respectively," and so stands the law at present; but as the rates of duty levied on tobacco at Bombay under Regulation XXI. of 1827, have not been affected by either of the two subsequent Regulations, it has been thought better to show these rates in conjunction with the rates levied on snuff, ganja, &c., as first set forth, than to separate the several items in this analysis.

The Tariff valuations, on which the 3½ per cent. General Custom duty is levied, are as under:—

| Tariff No. | | Rs. | a. | p. |
|---|---|---|---|---|
| 377. | Tobacco, European and American, per lb. | – | 12 | – |
| 378. | Tobacco, country, per Surat maund of four seers, or 30,200 lbs. | 1 | 8 | – |
| 379. | Snuff, per lb. | 3 | – | – |

The calculations and explanations below will show the fixed duty which the Committee propose to levy on the above descriptions of tobacco in future.

CUSTOMS.

| | Rs. | a. | p. |
|---|---|---|---|
| Tobacco, Europe and America; 12 annas × 3½ = ·42 decls. of an anna, or say, if calculated on 12 annas, with an advance in some cases half an anna per lb., as the new Indian seer is only lbs. 2·057 decls., it is proposed to make the future duty per Indian seer | 1 | – | – |
| Tobacco, country, 3½ per % or Rs. 1. 8. or 24 annas, in pie 10·08 decls., or 84·100 parts of an anna. The Indian maund of lbs. 82·285 decls., contains Surat maunds of lbs. 39·200 decls., ·2099 decls., which multiplied by ·84 decls., gives annas 1·763 decls. The Sea Customs duty therefore in country tobacco, making allowance for advance as above, may be fixed per Indian maund at | – | 2 | – |
| Snuff being valued at 3 rupees per lb., quadruple the value placed on tobacco from Europe and America, the amount of Customs duty will be quadruple also, or per Indian seer | – | 4 | – |
| The town duty on tobacco is, as already shown, 3 rupees per Bombay maund of 28 lbs., which multiplied by 3, would be 9 rupees for 84 lbs. The Indian maund, lbs. 82·285 decls., is so very little less than this, that the Excise duty on tobacco in the new tariff per Indian maund may be fixed at | 9 | – | – |
| Foreign Snuff: The town duty is one rupee for 3 lbs.; the Excise may be fixed per Indian seer | 2 | – | – |
| Ganjah pays a town duty of 87 rupees per Bombay maund of 28 lbs., and it is proposed to fix the Excise on the Indian maund at three times that amount, or say Rs. | 255 | – | – |

SPIRITS.

The duties leviable on spirits at Bombay, and drawbacks allowed on re-export, are defined by Ch. X., Regulation XXI. of 1827, and may be briefly stated, as under:—

Sec. XLVII. The established 3½ per cent. Customs duties to be levied on all brandies, rum, gin, arrack and all other description of liquors imported for consumption into the Island of Bombay, calculated on the invoice cost only when coming from the United Kingdom, with certain advances on invoice cost when coming from other parts. The invoice value has since been superseded by a tariff valuation, and with advances as before.

Sec. XLVIII. runs thus, "In addition to the Customs as above specified, the town duty is fixed at half a rupee per gallon on the import of spirits of all descriptions, and from all places."

Sec. XLIX. fixes the town duty at a quarter of a rupee per gallon on all spirits manufactured from articles *bonâ fide* the produce of the Islands of Salsette, Caraajah and Fort Victoria, but declares that all imports of spirits from those territories, manufactured from articles other than the produce thereof, shall be subject to the duty of half a rupee per gallon, and prescribes the nature of the certificates to be produced, to exempt the spirit intended to be imported from the payment of the higher rate of duty.

Sec. L. has reference to drawback, and is worded as follows:

"A moiety alone of the import is to be allowed as a drawback on the export of spirituous liquors, and no drawback is to be allowed under any circumstances, if the spirit be not re-exported within a period of two months from the date of its import, nor is any drawback of the 3½ per cent. Customs allowed on the export of spirituous liquors."

Sec. LII. says, spirituous liquors imported from Europe or America on foreign bottoms shall be subject to the payment of double the duties fixed by Sec. XLVIII. (*i.e.* double Sea Customs duty).

The present tariff valuations at Bombay are as under:

CUSTOMS.

| Tariff No. | | Rs. | a. | p. |
|---|---|---|---|---|
| 354. | Arrack, foreign, per gallon | – | 8 | – |
| 355. | Arrack, Mowrah, per gallon | – | 6 | – |
| 356. | Brandy, per gallon | 1 | 8 | – |
| 357. | Gin, per gallon | 1 | 8 | – |
| 358. | Rum, Country, per gallon | – | 12 | – |
| 359. | Rum, Europe, and Rum Shrub, per gallon | 1 | – | – |
| 360. | Whiskey, per gallon | 1 | – | – |

Customs on which, at 3½ per cent., will be as follows:

| | Rs. | a. | p. dec. |
|---|---|---|---|
| Arrack, Mouzah, annas 6 × 3½ = ·21 decls. of an anna × 12 = per gallon | – | – | 2·52 |
| Arrack, foreign, annas 8 will be ⅓ more per gallon | – | – | 3·36 |
| Rum, country, annas 12 = 6 × 2, or per gallon | – | – | 5·04 |
| Rum, Europe, Rum Shrub and Whiskey, rupee 1 = 8 × 12, or per gallon | – | – | 6·72 |
| Brandy and Gin, rupee 1, annas 8 = 8 × 3, or per gallon | – | – | 10·08 |

The Committee cannot, of course, ascertain at present the exact quantity or description of each sort of spirit imported at Bombay, or the place from which each portion comes, but they believe that brandy and gin exceed all others in quantity, and that they are chiefly imported in ships from Great Britain. The Customs rate on these being rather more than 10 pies or five-sixths of an anna per gallon, and the present town duty 8 annas per gallon, the adoption of the Bengal rate, 9 annas, is now recommended as a consolidated duty, of which one anna will be credited to Customs, and the remaining 8 annas appropriated as heretofore to police, or other local purposes.

The Customs duties on spirits by foreign ships are at present double those levied on spirits by British ships, and the town duties the same as in British ships, making in the whole something less than 10 annas per gallon. By the adoption of the Bengal tariff, the consolidated duty will be one rupee or 16 annas per gallon, leaving one-half or 8 annas for Sea Customs, and the remaining 8 annas to be appropriated, as above, to police, or other local purposes.

### Cotton.

The duty levied on this article at present is founded on the provisions of Regulation IV. of 1834; Section I. of which says,

"The existing duties now levied upon cotton at the several ports and places within the Presidency of Bombay, whether in the shape of Sea or Land Customs or transit duties, are hereby abolished, and in lieu thereof Sea Customs at an uniform rate of 5 per cent. on the tariff valuation, with the usual advance, are henceforth to be collected on export or import of cotton by sea."

The fixed valuation per existing tariff, Article No. 54, is 105 rupees per Surat candy of 784 lbs., which with advance at 8 per % Rs. 8. 40. makes Rs. 113·40 decls, and gives the duty at 5 per cent. at Rs. 5·67 decls, or – – – – – – – – 5 10 8

The Surat candy of 784 lbs. contains Indian maunds of lbs. 82·285 decls, 9·527 decls, which, at 9 annas per maund, the rate proposed by the Committee, will be – – – – – – – – – – – – 5 5 8

Or a decrease per candy of annas – – – – – 5 –

Customs and Post-Office Committee,
Calcutta, 24 June 1837.

(signed) *T. J. Taylor*,
Secretary.

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## Enclosure (I.), *vide* Para. 14, Report XI.

STATEMENT showing Amount realizable from Export Duties in *Guzerat*, and the Two *Concans*, at 5 per Cent., and at 3 per Cent., and the Loss that will accrue to Government by the adoption of the latter Rate.

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IT has been shown by Enclosure (F.) of this date, that the average amount of export duties levied in Guzerat in the year 1832–33, 1833–34, and 1834–35, inclusive of the duty on cotton, was 1,24,461 rupees per annum.

| | Rs. |
|---|---|
| The duties at the ports of Surat, Gogo, Bulsaw and Bugwara are levied at 5 per cent., and produced in the three years in question – – – – – – – | 2,25,262 |
| The duties at Broach, Tankavia, Nowsarie and Gundavee are from 3 to 3¼ per cent. and yielded in the same period – – – – – – – – – – | 74,818 |
| The duties at Dollerah and Bowliaree are levied at the rate of 2½ per cent., and realized in the above-mentioned years – – – – – – – – – | 51,016 |
| The Company's share of duties at Bhownaghur, at 1½ per cent., was in the years in question – – – – – – – – – – – – – – – | 22,289 |
| 3) | 3,73,385 |
| Rs. | 1,24,461 |

| | | | |
|---|---|---|---|
| The 5 per cent. duties yielding as above | 2,25,262 | - - would yield the same amount if the general export duty were 5 per cent. | 2,25,262 |
| The 3 and 3¼ per cent. duties, or say 3 per cent. duties, yielding - - | 74,818 | - - would give at 5 per cent. - - - - | 1,24,696 |
| The 2½ per cent. duties producing - | 51,016 | - - would yield at 5 per cent. - - - - | 1,02,032 |
| | 3,51,096 | | 4,51,990 |
| The Bhownaghur duties at 1½ per cent., giving - - - - - - | 22,289 | will not be increased - | 22,289 |
| | 3,73,385 | 3) | 4,74,279 |
| | | | 1,58,093 |
| *The value of the Dekhan produce exported through the North Concan in 1834–35 is stated in Enclosure (D.) to be* - - - - - - - | 28,27,424 | | |
| Less cotton - - - - | 17,61,424 | | |
| | 10,66,000 | | |
| and the duties realized - - - | 2,20,144 | | |
| Less Land Duties - - - | 91,141 | - - on 10,66,000 rupees at 5 per cent., the duties would amount to - - | 53,300 |
| | 1,29,003 | | |
| Less duty on cotton - - - | 78,197 | | |
| *Rs.* | 50,806 | | |
| The value of exports, the produce of the Concan, is stated to be - - - | 9,60,000 | | |
| The duties thereon - - - - | 4,83,536 | - - on 9,60,000 rupees at 5 per cent. - - - | 48,000 |
| Less Land Duties - - - | 1,39,166 | | |
| *Rs.* | 3,44,370 | *Rs.* | 1,01,300 |

The produce of the export duties in the South Concan, per Statements extracted from the Collector of Rutnagherry's Return No. 3, of the 5th May 1837, is as follows:—

| | *Rs.* | | *Rs.* |
|---|---|---|---|
| The 4¾ per cent. duties yield - - | 7,269 | - - at 5 per cent. the duties would be - - - | 7,672 |
| The 4 per cent. duties yield - - | 32,468 | - - at 5 per cent. the duties would be - - - | 40,585 |
| | 39,757 | | 48,257 |
| Less duty on cotton - - - | 18,640 | | 18,640 |
| *Rs.* | 21,117 | *Rs.* | 29,617 |

## ABSTRACT.

| | *Rs.* |
|---|---|
| At 5 per cent. the export duties by sea would amount in Guzerat to - - - - | 1,58,093 |
| Ditto, in the North Concan to - - - - - - - - - - | 1,01,300 |
| Ditto, in the South Concan to - - - - - - - - - - | 29,617 |
| | *Rs.* 2,89,010 |
| If 5 per cent. produce 2,89,010 rupees, 3 per cent. will produce - - - - - | 1,73,406 |
| Difference between 5 per cent. and 3 per cent. export duties at subordinate ports - - | 1,15,604 |

Customs and Post-Office, Calcutta,
24 June 1837.

(signed) *T. J. Taylor,*
Secretary.

## Enclosure (K.), *vide* Para. 13, Report XI.

STATEMENT showing the Amount brought to account as SALT REVENUE, extracted from the Return of actual Receipts and Disbursements of the *Bombay* Government, for Four Years from 1832–33 to 1835–36 inclusive, furnished by Accountant-General, Bombay, to Accountant-General, Bengal.

| | 1832–33. | | | 1833–34. | | | 1834–35. | | | 1835–36. | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| SALT: | | | | | | | | | | | | |
| BOMBAY: | | | | | | | | | | | | |
| Sale of Salt | 4,097 2 09 | | | | | | | | | 6,737 3 - | | |
| Farm of Salt-pans, in lieu of sale of Salt | | | | 10,373 2 64 | | | 11,516 1 1 | | | 2,000 - - | | |
| Revenue derived from Salt | 6,506 1 - | | | 3,931 3 81 | | | 7,533 5 4 | | | 5,102 10 10 | | |
| | | 10,603 3 09 | | | 14,305 2 45 | | | 19,049 6 5 | | | 15,839 13 10 | |
| RUTNAGHERRY: | | | | | | | | | | | | |
| Revenue derived from Salt | | 25,846 2 78 | | | 35,378 3 87 | | | 43,263 4 3 | | | 61,006 15 2 | |
| TANNAH: | | | | | | | | | | | | |
| Revenue derived from Salt | | 60,132 - 97 | | | 35,738 1 20 | | | 55,473 12 1 | | 50,832 14 2 | | |
| Deduct Charges | | | | | | | | | | 2,111 - 10 | | |
| | | | | | | | | | | | 48,721 13 4 | |
| SURAT: | | | | | | | | | | | | |
| Revenue derived from Salt | | 20,782 - 15 | | | 22,646 3 63 | | | 23,280 9 4 | | 38,120 1 1 | | |
| Deduct Charges | | | | | | | | | | 13,349 14 9 | | |
| | | | | | | | | | | | 24,770 2 4 | |
| AHMEDABAD: | | | | | | | | | | | | |
| Salt Manufactory | | 81,285 - 41 | | | 52,125 - 2 | | | 91,130 4 10 | | 1,10,351 3 9 | | |
| | | | 1,98,649 3 40 | | | 1,60,194 3 17 | | | 2,32,197 4 11 | | | 2,57,516 10 6 |
| Deduct Charges | | | | | | | | | | 3,273 5 11 | | |
| | | | | | | | | | | | 1,07,077 13 10 | |

| | |
|---|---|
| 1832–33 | 1,98,649 |
| 1833–34 | 1,60,194 |
| 1834–35 | 2,32,197 |
| 1835–36 | 2,57,516 |
| | 4) 8,48,556 |
| | *Rs.* 2,12,114 per annum. |

(signed) *T. J. Taylor*, Secretary.

## Enclosure (L.), *vide* Para. 14, Report XI.

ABSTRACT of the probable Financial Result of the new SEA CUSTOMS SCHEME for *Bombay*, as detailed in the Letter from the Customs and Post-Office Revision Committee to the Government of India, No. , dated June 1837.

| | | | |
|---|---|---|---|
| Less shown by Revenue Commissioner | | 14,91,392 | 9 4 |
| Southern Mahratta Country | | 2,20,507 | 13 8 |
| | | 17,11,900 | 7 – |
| Less Guzerat Town Duties and Mookhauts | | 3,78,499 | – – |
| | | 13,33,401 | 7 – |
| | Say | 13,50,000 | – – |
| Amount of all Import Duties levied at the different ports in Guzerat, on an average of Three years | 76,668 | | |
| Ditto - - - Southern Concan | 32,784 | | |
| Ditto - - - Northern Concan | 1,00,332 | | |
| | 2,09,784 | | |
| EXPORT DUTIES: | | | |
| Guzerat | 1,24,461 | | |
| Southern Concan | 46,210 | | |
| Northern Concan 50,806 | | | |
| Concan Produce 3,44,370 | | | |
| | 3,95,176 | | |
| | 5,05,847 | | |
| | 7,75,631 | | |
| Deduct, as a separate and special loss, not appertaining to the introduction of the new system, but necessary as a measure of relief to the Northern Concan, to avert ruin from that district | 2,88,982 | | |
| | | 4,86,649 | – – |
| Sea Customs at Bombay, present amount | | 10,00,000 | – – |
| Salt duties relinquished | 5,00,000 | | |
| Less credited as transit duties (and included in the above sum of Rs. 13,50,000), 1,42,000 + 1,00,000 | 2,42,000 | | |
| | | 2,58,000 | – – |
| | *Rs.* | 30,94,649 | – – |
| | Or say *Rs.* | 30,95,000 | – – |
| To be replaced by new salt duties to the extent of *Rs.* | 15,14,000 | | |
| Less charges 2,00,000 | | | |
| Allowed for shipment to Madras and Bengal 2,25,000 | | | |
| | 4,25,000 | | |
| | 10,89,000 | | |
| Amount to be realized under the new Sea Customs system at Bombay | 13,19,000 | | |
| Import and export duties still to be realized in the Concans and Guzerat | 1,73,000 | | |
| | | 25,81,000 | – – |
| | | 5,14,000 | – – |
| Add (*see* Para. 14 of Report, for hugs and drawbacks) | | 1,10,000 | – – |
| | Leaves a Loss of *Rs.* | 6,24,000 | – – |

Exclusive of special relief to the Northern Concan *Rs.* 2,88,982

The loss of Rs. 6,24,000 may be reduced to Rs. 5,50,000 or Rs. 5,60,000, or by about Rs. 60,000 or Rs. 70,000, by reducing the drawback at Bombay from seven-eighths to one-half of duty originally paid.

(signed) *T. J. Taylor*,
Secretary.

Customs and Post-Office Committee, Calcutta,
24 June 1837.

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(True copies.)

*T. L. Peacock*,
Examiner of India Correspondence.

East India House, 5 August 1851.

# EAST INDIA (PROPERTY TAX).

**RETURN** to an Address of the Honourable The House of Commons, dated 28 February 1861;—*for*,

"COPY of ACT, No. XXXII. of 1860, of the Government of *India*, intituled, 'An Act for imposing Duties on Profits arising from Property, Professions, Trades, and Offices.'"

India Office,
4 March 1861.

J. HAWKINS,
Judicial Secretary.

(*Mr. Crawford.*)

*Ordered, by* The House of Commons, *to be Printed*,
7 *March* 1861.

# INCOME TAX ACT.

## Division of Parts.


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# ACT No. XXXII. OF 1860.

Passed by the Legislative Council of India.—Received the Assent of the Governor General on the 24th July 1860.

AN ACT for imposing DUTIES on PROFITS arising from PROPERTY, PROFESSIONS, TRADES, and OFFICES.

## PART I.

*Imposes Duties of* 3 *and* 1 *per cent.*

I. FROM and after the 31st day of July 1860, there shall be collected and paid for the service of the Government of India, during the term herein limited, for and in respect of the property and profits mentioned in the several Schedules contained in this Act, and marked 1, 2, 3, and 4, respectively, the yearly duty of three rupees for every hundred rupees of the annual value thereof, that is to say; Duty of 3 per cent., and Schedules 1, 2, 3, and 4.

### SCHEDULE 1.

For and in respect of the property in, and profits arising from, all lands and houses in India.

### SCHEDULE 2.

For and in respect of the annual profits arising to any person residing in India from any kind of property whatever, whether situate in India or elsewhere; and for and in respect of the annual profits arising to any person residing in India from any profession, trade, or employment, whether the same shall be carried on in India or elsewhere.

And for and in respect of the annual profits arising to any person whatever, whether a subject of Her Majesty or not, although not resident in India, from any property whatever in India, or any profession, trade, or employment carried on within India.

And for and in respect of all interest of money, annuities, and other annual profits arising to any person residing in India, or accruing and payable in India to any person, whether residing in India or not, not charged by virtue of any other Schedule of this Act.

### SCHEDULE 3.

For and in respect of all profits arising from interest, annuities, or dividends, payable in India to any person, whether residing in India or elsewhere, out of the public revenues of India.

### SCHEDULE 4.

For and in respect of every public office or employment of profit in India, and every office or employment of profit in or under any Company in India, and upon every annuity, salary, or pension payable to any person residing in India, or paid in India to or on account of any person whatever by the Government of India, except annuities charged to the duty under Schedule 3.

 II. The

Collection and payment of duties.

II. The duties charged under this Act shall be assessed, collected, and paid under the rules hereinafter provided.

Duty of 1 per cent. for reproductive public works.

III. From and after the day aforesaid, there shall also be collected and paid, under the rules contained in this Act, for the purposes hereinafter mentioned and described as roads, canals, or other reproductive public works, for and in respect of the property and profits mentioned in the said several four Schedules respectively, the further yearly duty of one rupee for every hundred rupees of the annual value thereof.

Duty on fractional parts of 100 rupees.

IV. Upon every fractional part of one hundred rupees of the annual value or amount of the property and profits aforesaid, the like proportion of duty at the respective rates aforesaid shall be charged, but no duty shall be charged of a less denomination than one anna.

Assessments to be for the current year.

V. The said duties shall be charged and levied by yearly assessments, except in the cases hereinafter provided. Every assessment made under this Act within the year appointed for making the same, shall be deemed to be for the current year, and shall be in force for such year. And every assessment made after the expiration of any year in which the same ought to have been made, shall be deemed to be for the year when the assessment ought to have been made.

Such year to commence on the 1st August 1860.

VI. Such year shall commence, for the first assessment, on the 1st day of August 1860, and for every subsequent assessment during the continuance of this Act on the 1st day of August in the year of such assessment.

## PART II.

### *Appointment of Officers for Managing and Assessing the Duties.*

Duties to be under whose direction and management.

VII. The duties imposed by this Act shall, subject to the provisions of this Act, be under the direction and management of the Governor General of India in Council, the several Governors, Lieutenant Governors, and Chief Commissioners, for the time being in each Presidency, Lieutenant Governorship, and Province. The said Governments and authorities respectively are hereby empowered to do all such acts and things, subject as aforesaid, as may be deemed necessary for the collecting, receiving, and accounting for the said duties throughout the respective Presidencies, Lieutenant Governorships, and Provinces, for which the said duties are assessed, in the like manner as they are authorised to do with relation to any other duties or revenue under their care.

Divisions and districts.

VIII. The divisions and districts of revenue as already constituted, or as they shall be from time to time constituted, shall be made use of for the purposes of this Act, except in the cases hereinafter specified. The Presidency towns and the stations of the Straits Settlement shall be separate districts for the purposes of this Act, and it shall be lawful for the local Government to add thereto any portions of the adjoining districts of revenue. In any such case each part of any such district so added to a Presidency town or to a station in the Straits Settlement shall, for all the purposes of this Act, be held and taken to be a part of such Presidency town, or such station.

Jurisdiction.

IX. The limits of the Presidency towns and stations of the Straits Settlement, with any addition of adjoining districts made by the local Government, shall be defined by the local Government, and notified in the official Gazette of the Presidency or Settlement. All persons subject to the provisions of this Act, not resident in any of such divisions or districts of revenue aforesaid, or in any Presidency town, or any station of the Straits Settlement, shall be deemed for the purposes of this Act to be within such revenue jurisdiction, as the Governor General of India in Council, by order, to be published in the Calcutta Gazette, shall appoint.

Commissioners to be appointed for the Presidency towns and Straits Settlement.

X. In the Presidency towns and stations of the Straits Settlement the local Government shall from time to time appoint persons to be Commissioners for the purposes of this Act

Number of commissioners for the Presidency towns and Straits Settlement.

XI. In the Presidency towns the number of such Commissioners shall be not less than six, of whom not less than two shall be persons not in the service of Government;

Government; and in the stations of the Straits Settlement the number of such Commissioners shall be not less than three, of whom one shall be a person not in the service of Government. The local Government may grant to such Commissioners in the Presidency towns and stations in the Straits Settlement as may not be in the service of Government, such fee or remuneration as may be approved by the Governor General of India in Council.

If person not in the service of Government be appointed, and refuse or neglect to act.

XII. If any person not in the service of Government, having been so appointed, shall decline or neglect to act, it shall be lawful for the local Government to appoint any other person, whether in the service of Government or not, to be a Commissioner in lieu of the person so declining or neglecting.

Duration of appointment, re-appointment, and removal of commissioners appointed under the preceding sections.

XIII. The Commissioners appointed under the last three preceding sections shall hold the appointment for one year only, but it shall be in the discretion of the local Government, after the expiration of that period, to re-appoint any of them. It shall also be lawful for the local Government at any time to remove any of such Commissioners.

Quorum.

XIV. Any two of the Commissioners, one of them being an officer of Government, shall form a quorum.

Meetings of commissioners.

XV. The senior officer of Government in the commission shall be President of the commission. At every meeting of the Commissioners at which such officer shall not be present, the senior officer of Government present shall preside. If a difference of opinion shall arise, and the opinions shall be equally divided, the President of the meeting shall have a casting vote.

Appointment of special commissioner for Presidency towns and Straits Settlement.

XVI. For every Presidency town and station in the Straits Settlement, the local Government shall appoint an officer in the service of Government on such salary as shall be approved by the Governor General of India in Council, to be called the Special Commissioner, for the purpose of making assessments in the cases referred to him under the provisions hereinafter contained.

Appointment of assessors, &c.

XVII. In each of the Presidency towns and stations of the Straits Settlement, the local Government may appoint, on such salaries as may be approved by the Governor General of India in Council, such number of assessors and such ministerial and other officers as may be deemed necessary for carrying out the provisions of this Act.

Except in the Presidency towns and Straits Settlement, collector of land revenue to be entrusted with execution of Act and management of duties.

XVIII. Except in the Presidency towns and the stations of the Straits Settlement, the Collector of Land Revenue shall be entrusted with the execution of this Act, and the managing, levying, receiving, and accounting for the duties imposed thereby, under the control of the ordinary revenue authorities to whom such Collector is subject in matters relating to the land revenue.

Collector may associate others with himself to assist him in making assessments.

XIX. The Collector may, from time to time, whenever he shall think proper, associate with himself two or more persons, whether in the service of Government or not, to assist him in making assessments under this Act, or in any proceeding held under the provisions of this Act.

Appointment of deputy collectors as assessors.

XX. The local Government may appoint in any district one or more Deputy Collectors as Assessors, on such salaries as shall be approved by the Governor General of India in Council, for the performance of the duties that may be performed by Assessors under this Act.

Appointment as assessors of persons already employed as deputy collectors.

XXI. The local Government may also entrust any person who may be now employed or may hereafter be employed as a Deputy Collector in the Revenue Department with the duties of an Assessor.

Powers of deputy collectors.

XXII. The Collector may empower any Deputy Collector, whether employed as an Assessor or not, subordinate to such Collector, to exercise all the powers conferred on such Collector by this Act in respect of assessments in cases of profits or income not exceeding 1,000 rupees a year, subject to appeal to such Collector in the event of surcharge by such Deputy Collector.

Delegation of powers and duties to deputy collectors.

XXIII. The Collector may, with the sanction of the local Government, delegate to any covenanted officer or to any Deputy Collector whether employed as an Assessor or not, subordinate to such Collector, any of the powers or duties with which he is entrusted under this Act; but in exercising such powers and

duties, such covenanted officer or Deputy Collector shall be subject to the direction and control of such Collector.

Appointment of ministerial officers by collectors.

XXIV. It shall be lawful for the local Government to authorise the Collector to appoint, on such salaries as shall be approved by the Governor General of India in Council, such Assessors and ministerial and other officers as may be necessary for carrying out the provisions of this Act, subject to the same control and regulations as in the other departments of revenue.

Collector and commissioners may exercise functions of assessors.

XXV. The Collector and Commissioners respectively may at his or their discretion exercise any of the functions that may be performed by Assessors.

## PART III.

### *Ex-officio and Special Assessors for Government Securities, and in Public Departments.*

Ex-officio assessors for interest on Government securities.

XXVI. The Accountant General and the Sub-Treasurer of the Presidencies of Bengal, Madras, and Bombay respectively, and every authority in charge of a public treasury and authorised to pay the interest on any security of the Government of India, or any annuity payable out of the public revenue of India, shall be respectively *ex-officio* Assessors for executing this Act for the purpose of assessing and discharging the duties hereby imposed in respect of interest on securities of the Government of India, and of all annuities payable out of the revenues of India to any person whatever, at the places at which the said officers respectively hold office; and in respect of all other yearly sums (other than the salaries or pensions mentioned in the five next succeeding sections of this Act), payable by the said Government, or out of the public revenue at the Government treasuries at the said places respectively, and also in respect of all other profits chargeable with any duty under this Act, and arising within any office or department under the management or control of, or the accounts of, which are rendered to, or pass through the office of the said several officers respectively.

Ex-officio assessors for civil salaries.

XXVII. The several officers entrusted with the duty of auditing the civil salaries and allowances payable out of the public revenue, shall be respectively *ex-officio* Assessors for executing this Act for the purpose of assessing all such salaries and allowances payable to any person in the civil employment of the Government, or serving in any Civil Department, or for the payment of which the audit of any civil Auditor is required, and payable from the public revenue by or upon the audit of such officers respectively.

Ex-officio assessors for military pay.

XXVIII. The several officers charged with the duty of auditing any pay, salaries, or allowances payable to any officer or person in Her Majesty's army, or in Her Majesty's Indian military forces, or in the military employment of the Government, or serving in any military department, or for the payment of which the audit of any military Auditor is required and payable out of any public revenue, shall be respectively *ex-officio* Assessors for executing this Act, for the purpose of assessing all pay, salaries, and allowances payable to any person in the military employment of the Government, or serving in any military department, or for the payment of which the audit of a military Auditor General is required, and payable from the public revenue upon the audit of such officers respectively.

Ex-officio assessors for marine pay.

XXIX. The several officers entrusted with the duty of auditing any pay, salaries, and allowances to any officer or person in Her Majesty's navy, or Indian naval forces, or in the marine service of, or in any marine department and employment under the Government, shall be *ex-officio* Assessors for executing this Act, in respect of all pay, salaries, and allowances payable to any person in Her Majesty's navy or Indian naval forces, or in the marine service of the Government, or serving in any such marine department and employment.

Ex-officio and special assessors for pensions.

XXX. The several Collectors, Paymasters, and officers charged with the audit and payment, or payment without audit, of pensions payable by the Government,

Government, shall be *ex-officio* Assessors for executing this Act in respect of all such pensions; and if the local Government shall think fit to appoint any other persons to act in that behalf, the persons so appointed shall be special Assessors for executing this Act in respect of any of the pensions payable, or audited by such Paymasters and officers respectively.

Government to have power to appoint special assessors for other departments.

XXXI. Whenever it shall appear to the local Government necessary to appoint any special Assessor for the purpose of executing any matter in relation to any of the duties mentioned in Schedule 3 or Schedule 4 of this Act, in respect of which no provision has been herein made for the appointment of Assessors for the purpose of executing any matter in relation to the duties mentioned in either of the said Schedules at any place not herein mentioned, it shall be lawful for the said local Government to appoint a special Assessor for the special purpose of executing this Act in respect of such matter, and at such place.

Assessors to have same powers as collector or commissioners when acting.

XXXII. The Assessors appointed under the last six preceding sections of this Act shall have authority to exercise and apply all the powers of this Act as fully and effectually as the Collector or Commissioners are authorised to exercise and apply the same, so far as the same relate to the said duties, to be assessed by the said Assessors, and shall make their assessment of the said duties subject to the rules contained in this Act in respect of such duties respectively, according to the several Schedules under which such duties are chargeable.

Oath of secrecy to be taken by officers.

XXXIII. Every Commissioner, Collector, or other officer employed in making any assessment under this Act shall, before acting in execution of this Act, take an oath of secrecy in a form to be prescribed as hereinafter mentioned by the Governor General of India in Council.

Administration of oaths.

XXXIV. In the Presidency towns and the stations of the Straits Settlement, any one of the Commissioners, and in other places the Collector, is hereby authorised to administer such oath. The oath may be administered to the Collector by any other officer of Government above the rank of a Deputy Collector.

## PART IV.

### *Mode of Assessment.*

Proceedings of collector and commissioners to be recorded.

XXXV. A record shall be kept of all the proceedings held by the Collector and Commissioners under this Act.

Apportionment of districts among assessors.

XXXVI. The Collector and Commissioners shall assign to each Assessor such portion of the district in which such Assessor shall be employed, as may appear proper, and shall fix the place or places at which the Assessor shall ordinarily hold his office.

Issue by collector and commissioners of general notice to fill in return of profits and income.

XXXVII. The Collector and Commissioners shall issue a general notice, requiring every person liable to the duties imposed by this Act, to fill in a return of his profits or income, in the form to be prescribed by the Governor General of India in Council, as hereinafter provided, and to transmit such return to the Assessor by a date to be specified in the notice. It shall be explained in the notice, that persons requiring forms of returns, can procure them at the office of any of the Assessors. Copies of such notice shall be affixed at the office of the Commissioners in the Presidency towns and Straits Settlement, at the Collector's office, at every revenue or police office, and at such other conspicuous places through the town, stations of the settlement, and districts, as the Collector or Commissioners respectively shall appoint.

Special notices to be served by assessors.

XXXVIII. The Assessor shall, without delay, after this Act shall come into operation, and afterwards, from year to year, serve a notice, in the form to be prescribed by the Governor General of India in Council as hereinafter provided, on every person within his jurisdiction, whom he may consider to be liable to the duties imposed by this Act. Such notice shall require the person to return his profits and income, and shall specify the date by which the return is to be made, and the place of the Assessor's office, at which the return is to be made; and shall be signed by the Assessor. The form of the return shall be prescribed as aforesaid, and accompany the notice. If the person be not found, the notice shall be left at his usual place of residence or business, or shall be affixed thereto, and thereupon such notice shall be held to have been served.

Return and declaration how to be made.

XXXIX. Every person who is liable to the duties chargeable by this Act, shall transmit to or deliver at the Assessor's office the return duly filed in and signed by him. A declaration in the form to be prescribed as hereinafter provided, shall be added at the foot of the return, that the profits or income stated therein are truly estimated on all the sources contained in the several Schedules of this Act, after setting against, or deducting from such profit or income, such sums as are allowed by this Act, and no other sum. The return may be sealed up, and the seal shall be broken only by the Assessor.

Lists to be delivered by persons chargeable on account of others.

XL. Every person who is in the receipt of any money or value, or the profits arising from any of the sources mentioned in this Act, belonging to any other person, in whatever character the same shall be received, for which such other person is chargeable under this Act, or would be so chargeable if he were resident in India, shall, within the period mentioned in such notice as aforesaid, prepare and deliver, in the form to be prescribed as aforesaid, a list containing a true and correct statement of all such money, value, or profits, and the name and place of abode of the person to whom the same shall belong, together with a declaration in the form to be prescribed as aforesaid, whether such person is of full age, or a married woman, subject to the provisions of the English law regarding coverture, living with her husband, or a married woman, subject as aforesaid, whose husband is not accountable for the payment of the duty hereby chargeable, or whether such person is or is not a resident in India, or an infant, or lunatic.

Lists to be delivered by persons so acting conjointly with others.

XLI. Every person acting in such character jointly with any other person, shall, in the manner aforesaid, deliver a list of the name and place of abode of every person so joined with him at the time of delivering such list.

Lists of lodgers, inmates, &c.

XLII. Every person, when required so to do by a notice to be prescribed as aforesaid, shall, within the period to be mentioned in such notice, prepare and deliver to the Assessor of the district, wherein such person shall reside, a list in writing, containing, to the best of his belief, the proper name of every lodger or inmate resident in his dwelling-house, and of any other persons, not being menial servants receiving less wages than 200 rupees per annum, employed in his service, whether resident in such dwelling-house or not, and the place of residence of such of them as are not resident in such dwelling-house, and also of any such lodger or inmate who shall have any ordinary place of residence elsewhere, at which he is liable, under this Act, to be assessed, who shall be desirous of being so assessed at such place of ordinary residence. Such lists shall be signed by the respective persons delivering the same, and shall be made out in the form to be prescribed as aforesaid. No person being required to deliver a list of lodgers, inmates, or other persons aforesaid, shall be liable to the penalties hereinafter mentioned, or either of them, for any omission of the name or residence of any person in his service or employ, and not resident in his dwelling-house, if it shall appear that such person is entitled to be exempted from the payment of all and every the duties hereby imposed.

Returns by persons desirous of being assessed by special commissioner.

XLIII. If in any Presidency town or any station of the Straits Settlement any person shall desire that his return be rendered to, and his assessment fixed by, the Special Commissioner, he may, together with the return, transmit, under cover to the Assessor, an application to that effect, sealed and addressed to the Special Commissioner. Such application shall, on receipt thereof, be transmitted to the Special Commissioner.

Returns by persons desirous of being assessed by collector.

XLIV. If in any other place, any person, whose annual profits or income shall exceed 2,000 rupees, shall desire that his return be rendered to, and his assessment fixed by, the Collector, he may transmit such return sealed and addressed to the Collector.

Form of returns under the two preceding sections.

XLV. The returns made under the last two preceding sections shall be in the form which shall be prescribed for returns as aforesaid. The declaration required by Section XXXIX. shall be added thereto.

Procedure on assessor receiving returns.

XLVI. The Assessor on receiving the returns shall compute the duties to the best of his judgment according to the rules herein contained for each Schedule respectively; but he shall not summon or question the parties making the returns. The Assessor shall make an abstract in the form to be prescribed

Preparation of an abstract.

as

as aforesaid, specifying the name of each person, the amount of profits or income returned by such person, and the amount of duty chargeable on such return under this Act.

Understated returns to be noticed in the abstract.

XLVII. If the Assessor consider any return to be understated, he shall state, in the abstract prescribed in the last section, the sum on which he shall consider the person making such return ought to be assessed, and the amount of duty chargeable thereon.

List of persons omitting to furnish returns.

XLVIII. The Assessor shall make a list of the persons, if any, who have omitted to furnish returns, and shall compute, to the best of his ability, the amount at which such persons should be assessed, and shall enter the duties chargeable thereon.

List of persons applying to be assessed by special commissioner or collector.

XLIX. The Assessor shall also make out a list of the persons, if any, who have sent applications to be assessed by the Special Commissioner or Collector.

Assessor to have access to collectorate or revenue records.

L. The Assessor shall have full access to any collectorate or revenue records which he may require to inspect, in order to enable him to compute the duties on landed property of all kinds, according to the directions hereinafter contained.

Abstract and lists to be sent by assessor to collector or commissioners.

LI. The Assessor shall deliver or transmit the said abstract and lists, signed by himself, together with the returns received by him, to the Collector or Commissioners. If the Assessor be empowered to make assessments under Section XXII. of this Act, he shall also deliver or transmit to the Collector an abstract of the assessments so made by him.

Collector or commissioners definitely to assess each party.

LII. The Collector or Commissioners shall consider the said lists and returns, and shall assess each person with the duties properly chargeable; but they shall not summon or question the persons chargeable at this stage of the proceedings.

Assessments made by collector or commissioners according to returns furnished.

LIII. If the Collector or Commissioners be satisfied with the return made by any person chargeable under this Act, they shall assess him in the amount with which he is chargeable according to the return. Such assessment shall be final, subject only to such surcharge in case of fraud as provided in this Act.

Surcharges.

LIV. Whenever the Collector or Commissioners shall be dissatisfied with any return, and shall consider that any person should be charged with duty in excess of the sum chargeable on the amount of the profits or income returned by him, the Collector or Commissioners shall surcharge such person accordingly in such sum as they shall think fit.

Notice of surcharge.

LV. Whenever any person shall have been surcharged, or shall have been charged on an assessment made under Section XLVIII. by the Collector or Commissioners, a notice shall be given to such person, in a form to be prescribed as aforesaid, stating the amount of such surcharge or charge, and intimating that, if he desire to urge any objection thereto, he may appear, on a date specified, before the Collector or Commissioners, and make such representation, and tender such proof in support thereof as he may wish. But no person who shall have been charged on an assessment made under Section XLVIII. shall be heard against such charge, if he shall have been served with a notice in the manner prescribed by this Act, unless he can satisfy the Collector or Commissioners that his failure to make the return within the period allowed in such notice was unavoidable.

Procedure on appearance of party.

LVI. Clause 1. If, on the day appointed, the person shall appear, he shall be heard before the Collector or Commissioners sitting with closed doors, and the Assessor shall also, if required, attend. The Collector or Commissioners shall hear the statement of the person, and may inspect any books or papers which he shall voluntarily tender, or question any witness whom he shall produce; but they shall not require the person chargeable to produce any books or proofs besides those which he may choose to tender. An oath or affirmation may be administered to any witness produced by the person, but the person himself shall not be sworn unless he shall desire it. After such hearing, the Collector or Commissioners shall modify, abate, or confirm, the surcharge or charge upon such person, or shall postpone the case for further hearing. After finally hearing the case, he or they shall decide the amount in which the person ought to be

charged or surcharged, and shall assess him in such amount. Such decision and assessment shall be final, subject only to such surcharge in case of fraud, and to such revision as are provided by this Act.

Revision of assessment.

Clause 2. For the purpose of correcting any mistake in law, or for deciding any point specially referred by the Collector, such assessment, if made by the Collector, may be revised, on the application of the person assessed, by the authorities to whom the Collector in matters relating to the land revenue is subordinate, if they think fit so to do, under such rules as those authorities shall from time to time prescribe.

Deposit of costs before revision.

Clause 3. Before any revision shall be made, the applicant shall deposit with the revising authorities such amount as they may require to be deposited for the purpose of covering costs as hereinafter mentioned.

Pending revision applicant liable to pay the duty.

Clause 4. Pending the revision, the applicant shall be liable to pay the duty with which he has been charged, as if no such application had been made, subject to a refund of such amount as the revising authorities shall direct.

Penalty for frivolous or vexatious applications.

Clause 5. If the revising authorities consider the application for the revision to have been frivolous or vexatious, they may order the applicant to pay such amount of costs as they may think reasonable, and such amount shall be retained out of the amount deposited on account of costs.

A general abstract of assessments to be prepared according to which levy of duties to be made.

LVII. When the assessments for any place shall have been made, a general abstract shall be prepared in the form to be prescribed as aforesaid, to which the signature of the Collector or Commissioners shall be attached, and in accordance with such abstract, the Collector or other officer in that behalf appointed shall proceed to levy the duties in the manner hereinafter prescribed.

Assessments made by collector or special commissioner according to returns furnished.

LVIII. When any person shall have applied to be assessed by the Collector or Special Commissioner under Sections XLIII. and XLIV., the Collector or Special Commissioner shall consider such application, together with the return and particulars accompanying it. If the Collector or Special Commissioner shall be satisfied with the return, he shall assess such person according thereto.

Surcharges.

LIX. If the Collector or Special Commissioner shall not be satisfied with the said return, he shall surcharge the person in such sum as he shall think fit. In case of such surcharge, the Collector or Special Commissioner shall cause such notice to be given to the person in the manner prescribed in Section LV., and shall proceed to make his assessment and surcharge in the manner hereinbefore prescribed.

Effect of assessment by Collector or special commissioner.

LX. Such assessment made by the Collector or Special Commissioner shall be final, subject only in case of fraud to such surcharge as provided in this Act.

Presidency towns, &c. Transmission of papers to commissioners.

LXI. In the Presidency towns and the stations of the Straits Settlement, the Special Commissioner shall thereupon seal up the papers and transmit them to the Commissioners.

Returns, &c. to be kept under seal.

LXII. The returns and other records relating to the execution of this Act, shall be kept under seal in the office of the Collector, or in the Presidency towns and stations of the Straits Settlement, in the office of the Commissioners. The disposal of such records shall be at the discretion of the revenue authorities.

Papers relating to assessment not to be inspected by others than officers expressly appointed.

LXIII. In no case shall any paper whatsoever, relating to the assessment of the duties under this Act, be inspected by any one, save such of the officers appointed under this Act as are herein expressly authorised to inspect the same.

Person how to appear.

LXIV. Any person who may have occasion to appear before the Collector or Commissioners, or Special Commissioner, under the provisions of this Act, shall attend in person, unless his personal attendance be dispensed with, on sufficient reason to be shown, in which case a servant, agent, or relation may be heard on his behalf. Provided that no counsel, advocate, pleader, attorney, or person practising the law shall be allowed to appear or plead on behalf of any other person.

Persons acting in execution of Act to be charged with duties as other persons.

LXV. The persons acting in the execution of this Act shall be charged and assessed to all the duties imposed by this Act, if liable thereto, and shall deliver all such returns and declarations, and shall do all such acts and things as shall be

be required to be delivered or done by this Act, in order to the assessing of the said duties, in like manner as any other persons.

A person acting in execution of Act to have n voice in the consideration of his own return.

LXVI. Any person aforesaid, whose return shall be under consideration, or who shall be concerned or interested therein, either for himself or for any other person in any character before described, shall have no voice, and shall not be present, except upon a hearing for the purpose of being examined *vivâ voce* by the Collector or Commissioners having his assessment or schedule under consideration, but shall withdraw during the consideration and determination thereof.

## PART V.

### *Compositions.*

Parties may compound for three, four, or five years.

LXVII. Any person desirous of compounding for the duties mentioned in Schedule 2 of this Act, in the first, second, or third years of this Act, shall, at any time after he shall have delivered the return of his profits or income under the said schedules, as required by this Act, and before he shall have been assessed for such years, deliver to the assessor of the district a notice signed by himself of his desire to compound for the duties in the manner allowed by this Act, and shall state therein whether he desires to compound for three, four, or five years.

Parties to execute contract of composition.

LXVIII. When such assessment shall have been made by the Collector or Commissioners, or a Special Commissioner, it shall be lawful for such Collector or Commissioners to contract and agree with such person for a composition for the said duties on the terms hereinafter mentioned, for a period of not less than three years, and not more than five years limited for the continuance of this Act, provided such person shall enter into and sign a contract of composition within the space of one calendar month next after the making of such assessment shall have been notified to him, and his appeal against the same (if any) shall have been determined.

Terms of composition.

LXIX. The terms of such composition shall be the payment in each year of the said period of the amount of the said assessment so made as aforesaid, together with an addition thereto at the rate of one rupee for every twenty rupees of the sum assessed as aforesaid, which addition shall be made by the Collector or Commissioners to the said assessment so made for the first year of the said term.

Assessments how to b made in subsequent ye upon persons executir contracts.

LXX. In each subsequent year thereof the assessment of the said duties under Schedule 2, upon the person who shall have entered into such contract of composition, shall be made by the Collector or Commissioners in a sum equal to the aggregate amount of the said first year's assessment with the said additional rate thereon, and it shall not be necessary for such person to deliver any further return of profits or income described in the said Schedule 2 during the said period of composition.

If persons neglect or refuse to execute contract of composition.

LXXI. If the person upon whom such assessment as aforesaid shall have been made, shall neglect or refuse to enter into and sign such contract of composition within the time herein limited for that purpose, the assessment so made, without the said additional rate, shall be collected and recovered in like manner as any other assessment under this Act.

Form of contract of composition. Contract to be in two parts.

LXXII. The contract of composition shall be made in the form to be prescribed as aforesaid. Every such contract of composition shall be made in two parts, which shall be severally signed by the Collector or one of the Commissioners, and by the person compounding; one of such parts shall be delivered to the person compounding, and the other part shall remain with the Collector or Commissioners.

Effect of contract.

LXXIII. Every such contract shall be an authority for the Collector or Commissioners to make an assessment on the person compounding for each year of the said period of composition, in accordance with the terms thereof, and to cause the sum thereby assessed to be collected and paid over in such manner and by such means as are herein authorised in relation to any other assessment made under this Act.

Composition to cease on 30th April next aft death or bankruptcy o party compounding.

LXXIV. If any person who shall have compounded as aforesaid shall die or become bankrupt or insolvent before the expiration of the period of composition, his

his contract of composition shall cease and determine on the 30th of April next after his death, bankruptcy, or insolvency, save and except as to any instalment of duty which, before the said day, shall have become payable and shall then remain unpaid.

In case of fraud in compounding, composition to be void, and penalties incurred.

LXXV. If any person who shall propose to compound for the duties chargeable under Schedule 2 of this Act shall wilfully make or deliver any false return or declaration of profits or income described in such schedule, or shall wilfully conceal or omit to state any of such his profits or income, or any part or portion thereof, or any other matter or thing required by this Act to be stated in such declaration or return; or if any person shall, by any fraudulent means, procure an assessment to be made upon him for a less amount of the said duties than he shall be chargeable with, in order to compound thereon: or if any person shall, by any fraudulent means whatever, cause or procure a contract of composition to be made or entered into with him for a less amount of duties than he ought to be charged with, the contract of composition, if any, which shall have been made with such person, shall be void and of no effect, and such party shall be charged and assessed as if no such contract had been made, and any sum of money which may have been paid in pursuance of such contract shall be forfeited.

Officers not exercising full powers of a Collector incapable of making contracts.

LXXVI. No officer not exercising the full powers of a Collector shall have authority to make any contract of composition under this part of the Act.

## PART VI.

### *Provisions as to Trustees and Special Classes of Persons chargeable.*

Trustees and guardians of incapacitated persons to be charged.

LXXVII. The trustee, guardian, curator, or committee of any person, being an infant, or married woman subject to the law of England as aforesaid, or a lunatic, and having the direction, control, or management of the property or concerns of such infant, married woman, or lunatic, whether such infant, married woman, or lunatic shall reside in India or not, shall, if such infant, married woman, or lunatic be chargeable under this Act, be charged to the said duties in like manner and to the same amount as would be charged to such infant if of full age, or to such married woman if she were sole, or to such lunatic if he were capable of acting for himself.

Agents, factors, and receivers of non-residents to be charged.

LXXVIII. Any person not resident in India, whether a subject of Her Majesty or not, being in the receipt, through any agent, factor, or receiver, of any profits or income chargeable under this Act, shall be chargeable in the name of such agent, factor, or receiver having the receipt in India of such profits or income belonging to such person, in the like manner and to the like amount as would be charged to such person if resident in India, and in the actual receipt thereof.

Trustees, guardians, agents, &c., required to do all acts required to be done by their principals.

LXXIX. Every such trustee, guardian, curator, or committee, and every such agent, factor, or receiver, shall be answerable for the doing of all such acts and things as are required to be done by the person chargeable.

Trustees or agents of certain persons (being resident in India) only required to deliver a list of names and residence of principals.

LXXX. No trustee, who shall have authorised the receipt of the profits or income arising from trust property by the person entitled thereto, or by the agent of such person, provided such person shall actually receive the same under such authority, and no agent, or factor, or receiver of any person, being of full age, and resident in India, and being under no disability, who shall return a list in the manner herein required, of the name and residence of such person, and of the amount of the income liable to be assessed, shall be required to do any other act for the purpose of assessing such person, unless the Collector or Commissioners, acting in the execution of this Act in respect of the assessment to be made on such person, shall require the evidence of such trustee, agent, or receiver. The Collector or Commissioners shall have power to summon such person to attend before them when his evidence is required.

Trustees or agents of incapacitated persons may be required to furnish statements of income and profits.

LXXXI. Every person who shall act in any character as aforesaid for any other person, who by reason of any such incapacity as aforesaid, or by reason of his not being resident in India, cannot be personally charged by virtue of this Act, shall also, when required, deliver in the manner herein directed and in the same district in which the person delivering such list ought to be charged on his

own

own account, a true and correct statement, in writing, signed by him, of the amount of the profits and income to be charged on him on account of such other person, estimated during the period, and according to the rules contained in the said respective Schedules, together with such declaration of the truth of such statement, as required in Section XXXIX of this Act.

LXXXII. Where two or more such persons shall be liable to be charged for the same person, one return only shall be required, and such return shall be made by such persons jointly, or by one or more of them on behalf of himself or themselves; and it shall be lawful for them to give notice, in writing, to the Collector or Commissioners acting for the place where they shall be called upon for such statement, in what place they are respectively chargeable by this Act on their own account, and in which of the said places they are desirous of being so charged on the behalf of such other person for whom they so act in any of the characters before-mentioned, and they shall be assessed accordingly by one assessment in such place, provided any one of such persons shall be liable to be charged on his own account in the same place.

Mode of assessment if two or more such persons are liable to be charged for the same person.

LXXXIII. If more than one assessment shall be made on such persons or any of them, on the same account, relief shall be granted for such double assessment by like applications to the Collector or Commissioners, as are allowed in other cases by this Act.

Relief from double assessments.

LXXXIV. The receiver or manager appointed by any Court in India, whether constituted by Royal Charter or not, or having the direction and control of any property in respect whereof a duty is charged by this Act, whether the title to such property shall be uncertain or not, or subject to any contingency or not, shall be chargeable to the said duty in like manner and to the like extent as the persons entitled thereto would be chargeable, if in actual possession of the said property, and if the title thereto were certain and not subject to any contingency whatever.

Receiver or manager of trust property chargeable.

LXXXV. The several Courts of Wards in the Presidencies of Bengal, Madras, and Bombay, and in any other parts of India wherein such courts are established, shall, in respect of all property, profits, and income under the direction and control of such courts, and chargeable with any duty under this Act, whether the proprietors on whose behalf the said courts shall have such direction or control, be or continue disqualified or not, so long as the said courts shall have such direction or control, shall be chargeable to the said duty in the like manner and to the like extent as the proprietors of such property, profits, and income, if not disqualified, and if in actual possession thereof, would be chargeable.

Court of Wards is to be charged for property in its control.

LXXXVI. The Administrators General of Bengal, Madras, and Bombay, shall be chargeable under this Act in respect of all property, profits, and income in their possession or under their control, by virtue of any letter of administration or *ad colligendà*, or by virtue of any probate granted to them respectively as executor of any will, or of any appointment as curator or as official trustee.

Administrators General are to be charged for all property in their possession and control.

LXXXVII. Every such receiver or manager, every such Court of Wards, and every such Administrator General, shall be answerable for doing all such matters and things, and for delivering all such returns and declarations, as are required to be done by virtue of this Act, in order to the charging of the duties imposed by this Act in respect of the several properties, profits, and income under their care respectively, and in order to the payment of the same.

Receivers, managers, Courts of Wards, and Administrators General are required to do all acts under this Act.

LXXXVIII. All bodies politic, or corporate or collegiate, and all companies or societies of persons, whether corporate or not corporate, and the property thereof, shall be chargeable with the same duties, and shall be subject in all respects to the provisions of this Act, in the same manner as any person and his property are subject thereto.

Bodies, companies, and societies charged with duties.

LXXXIX. When any such body, company, or society shall be registered under any Act of the Governor General of India in Council for the time being in force, the registered officers of such body, company, or society, and, where it shall not be so registered, the secretary, or principal agent or manager in India, shall be answerable for doing all such acts and things as shall be required to be done by virtue of this Act in order to the assessing such body, company, or society,

Secretaries, or principal agents or managers of registered bodies, companies, or societies to do all acts required for assessment.

society, or the officers or servants thereof, as hereinafter provided, to the duties imposed by this Act, and paying the same.

Treasurers, &c. of bodies, companies, and societies answerable for payment of duties.

XC. The treasurer, secretary, or principal agent or manager in India of any such body, company, or society, whether the same be registered as aforesaid or not, shall be also answerable for the payment of the said duties payable by such body, company, or society.

Treasurers, &c. of bodies, companies, and societies are required to deliver correct returns.

XCI. The treasurer, secretary, or principal agent or manager in India of any such body, company, or society, shall also, within the period required by this Act, prepare and deliver, in the form to be prescribed as aforesaid, a true and correct return of the profits and income to be charged on such body, company, or society, computed according to the directions of this Act, together with such declaration of the truth of the said return as aforesaid, as required by section XXXIX. of this Act.

Such return to be made on annual profits and income before a dividend is made.

XCII. Such return shall be made on the amount of the annual profits and income of such body, company, or society, before any dividend shall have been made thereof to any other persons, bodies, or companies having any share, right, or title in or to such profits or income, and all such other persons, bodies, companies, or societies, shall allow, out of such dividends, a proportionate deduction in respect of the duty so charged.

Trustees, agents, and receivers may retain duties charged on them out of trust monies.

XCIII. When any trustee, guardian, curator, or committee, agent, factor, or receiver of or for any person, shall be assessed under this Act in respect of such person; or when any receiver appointed by any court, or when any court of wards, or any Administrator General, shall be assessed under this Act in respect of the property, profits, or income received by them; or when any secretary, agent, manager, or other officer of any body, company, or society, shall be so assessed in respect of such body, company, or society as aforesaid, it shall be lawful for every such person who shall be so assessed, out of the money which shall come to his hands as such trustee, guardian, curator, committee, agent, factor, or receiver as aforesaid, or as such receiver, court of wards, or such secretary, manager, agent, or Administrator General, or such other officer as aforesaid, to retain so much thereof from time to time as shall be sufficient to pay such assessment; and each of the said persons enumerated in this section is hereby fully indemnified against every person, body, company, or society whatsoever, for all payments which he shall make under this Act.

Married women (subject to English law) having separate property chargeable.

XCIV. Any married woman subject to the law of England in regard to her coverture, acting as a sole trader in her own name, or having or being entitled to any profits or income to her sole or separate use, shall be chargeable to the duties under this Act, in like manner, except as hereinafter mentioned, as if she were sole and unmarried.

Profits of married woman (subject to English law) living with her husband, how chargeable.

XCV. The profits or income of any married woman subject to the law of England as aforesaid, living with her husband, shall be deemed the profits of the husband, and the same shall be charged in the name of the husband, and not in her name, or in the name of her trustee.

Profits of married woman (subject to the English law) living in India separate from her husband, how chargeable.

XCVI. Any married woman subject to the law of England, or acting as committee as aforesaid, living in India, separate from her husband, whether such husband shall be temporarily absent from her, or from India, or otherwise, who shall receive any allowance or remittance from property out of India, shall be charged as a *feme sole* if entitled thereto in her own right, and as the agent of the husband, if she receive the same from or through him, or from his property, or on his credit.

## PART VII.

### *Rules under Schedule* 1.

Assessment of Duties imposed under Schedule 1.

XCVII. The duties hereby imposed and contained in Schedule 1 shall be assessed and charged under the following rules, that is to say:—

SCHEDULE

## SCHEDULE 1.

Rule 1. The annual profits of the proprietors or holders of lands paying revenue direct to Government not under any permanent settlement, but under any settlement liable to revision or alteration, shall be estimated at one-third of the annual amount of revenue payable to the Government. The owners or holders of such lands shall be chargeable with the amount of the annual profits so estimated.

Profits of lands paying revenue direct to Government under settlements subject to revision, to be estimated at one-third the Government revenue.

Rule 2. If any owner or holder of lands included in rule 1 shall prove to the satisfaction of the Collector or Commissioners that the actual annual profits received by him from the said lands are less in value than one-third the annual amount of revenue payable in respect of the said lands, the Collector or Commissioners shall reduce accordingly the annual amount of duty with which such owner or holder is chargeable.

Assessment upon such lands may be reduced on proof that the profits realised are less than one-third the Government revenue.

Rule 3. If any such owner or holder shall object, either before the Collector or the Commissioners, to be charged with the annual value at the rate of one-third the annual amount of revenue payable on the said lands, he shall be bound to make all the returns and declarations, and be subject to the same rules as the owners or holders of lands mentioned in the following rules; and if it shall appear to the Collector or to the Commissioners that the annual profits arising from the said lands are more in value than one-third of the said annual amount of the said Government revenue, the Collector or the Commissioners shall charge such owner or holder with such increased annual value of the profits, and he shall be charged double duty in respect thereof.

Upon application to reduce, holder, if he fails, liable to be charged with excess of profits above one-third of the Government revenue.

Rule 4. All persons in the actual receipt, whether as owners or not, of any rents or profits arising out of any lands or houses not included in the said first general rule, whether paying revenue to the Government or not, shall return and deliver, as aforesaid, a statement of all the several estates, tenures, sub-tenures, lands and houses held by them, and of the nature of such estates, tenures, and sub-tenures, and of the amount of the rents and profits whereof they shall be in receipt as aforesaid, under any title whatever, and in whatever district situated, and of the rents and profits, of whatsoever nature or kind, received and receivable by them on account of every such separate estate, tenure, sub-tenure, lands, and houses as the rent or profits payable for the preceding year, that is to say, the revenue year immediately preceding the year of assessment, and shall be chargeable upon the annual amount of such rents and profits. Every return required by this section shall be accompanied by a rent-roll containing the name of every person to whom such lands or houses, or any part thereof, are underlet by the person making such return, and the amount of rent payable in every such case, and every such return and rent-roll shall be filed in the Collector's office, and shall be conclusive evidence against the person making such return in any suit for the recovery of rent as to the amount payable by any tenant included in such rent-roll for the period to which such return applies, and shall also be conclusive evidence against him in all other actions or suits, unless it shall be proved to the satisfaction of the court or officer before whom such return and rent-roll is offered in evidence, that any statement contained therein is erroneous, and that the error arose from accident and not from any fraudulent intention, in which case the said Court or officer shall not be bound to treat the same as conclusive.

All persons in receipt of rents and profits of lands and houses not included in Rule 1 to make returns, and to be chargeable with actual profits.

Rule 5. Every such person as aforesaid, who shall not receive for his own sole use and benefit the whole rents and profits of any such estate, tenure, sub-tenure, lands, or houses as aforesaid, shall state in his said return, to the best of his knowledge and belief, the name of every other person having a share therein, the extent of the respective shares of such persons, and the amount of rents and profits received by them for their own use and benefit. Any two or more persons, being sharers in any estate, tenure, sub-tenure, lands, or houses, may render a joint return to the above effect, in which they shall specify their respective shares.

Provision as to co-sharers.

Rule 6. Clause 1. In returning such rents and profits the gross amount received and receivable during the preceding year shall be fully stated, but if the person receiving or entitled to receive the same be himself liable to pay, in respect of any land or house, any land revenue to Government, or any rent to any superior landlord, he shall state in his return the amount of such revenue and rent, and

Assessment after deducting land revenue or rent

the name of the person to whom the rent is payable, and shall be charged with the said duties on his rent and profits, whether received or not, after deducting the amount of such land revenue, or of the rent so payable by him to such superior landlord.

Assessment without deduction.

Clause 2. Or at the option of the Collector or Commissioners he may be charged with the duties on the rent and profits without making any such deduction on account of land revenue or rent.

Person so assessed may deduct from superior landlord.

Clause 3. Whenever any person shall pay the said duties on the rent or profits of any land or house without deduction on account of any land revenue or rent payable by him in respect of such house or land, he shall have a right to deduct from any revenue or rent payable by him, as the case may be, a sum equal to the amount of the duty computed upon such revenue or rent.

Payment deemed a payment to Government by the person from whom deduction is made.

Clause 4. A deduction from revenue or rent under the provisions of this Act shall be deemed a payment to Government by the person from whom the deduction is made of the amount so deducted.

All other persons occupying lands to return and be charged with actual profits.

Rule 7. All other persons occupying lands or houses, other than ryots and occupiers, as provided in Sections CXXX. and CXXXI. of this Act, and not being the owners thereof, shall return and deliver, in manner aforesaid, the actual amount and profits realised by them from the said lands or houses during the preceding year, and shall be assessed thereon.

Owners of lands or houses occupying the same to be charged at rack-rent, at which the same are worth to be let.

Rule 8. Owners of lands or of houses occupying the same, except ryots and occupiers as last aforesaid, shall be chargeable in respect of the annual value thereof at the rack-rent at which such lands or houses are worth to be let for the year.

Fines and bonuses on leases.

Rule 9. The said duty shall also be assessed upon the amount received within the year preceding by or on account of any person as a fine or bonus in consideration of any lease of, or agreement to let any land or house.

Mortgagees in possession.

Rule 10. When any mortgagee or creditor having a lien on any land or house shall be in possession of the land or house mortgaged, such mortgagee or creditor, whether in the actual occupation, or in the receipt of the rents and profits of such land or house, shall be chargeable as the owner of the same, according to the rules herein contained; and upon any settlement of accounts between such mortgagee or creditor, and the mortgagor or debtor, the duty chargeable under this Act, in respect of the amount of the interest payable upon the mortgage or debt, shall be taken and allowed as so much money received by such mortgagee or creditor on account of such interest.

Owners dying before payment.

Rule 11. If the person who is the owner of any land or house at the time the assessment is made, shall die before payment of the duty chargeable under this Act, the heirs, executors, administrators, or assigns, or other person who, on the death of such person, shall become entitled to the rent or profit of such land or house, shall be liable to the payment of all arrears of the said duty due at the time of the death of such person, and to all subsequent instalments for the same year without any new assessment.

Houses divided into distinct portions.

Rule 12. When any house shall be divided into distinct portions, and such portions shall be occupied by distinct owners or their respective tenants, such owners shall be liable for their respective proportions of the duties chargeable under this Act.

No deduction allowed, unless expressly authorised and stated in writing.

Rule 13. No deduction from the assessment of any land or house shall be allowed in any case, unless the same shall be authorised by this Act, nor unless an account in writing, signed by the party claiming such deduction, stating the nature and amount thereof, shall have been delivered to the assessor within the time, and pursuant to the notice given by such assessor. Provided it shall be lawful for any local government to authorise a deduction to be made in respect of any extraordinary or unusual charge to which the property is subjected.

Surcharge for deductions made contrary to Act.

Rule 14. If any such deduction shall be made contrary to this Act, or without such account in writing as aforesaid, the person making the same shall be surcharged with the amount of such deduction.

Rule

Rule 15. When the rent of any land shall depend wholly or in part on the price of any kind of grain, or on the actual produce of the land, the computation for the purpose of charging the duties in Schedule 1 of this Act, in respect either of the price or quantity of such produce, shall be made and the amount to be assessed shall be ascertained, according to the rules and in the manner by which such rent has been usually ascertained in the same district between landlord and tenant, and the Collector or Commissioners shall in such cases determine according to what rules and in what manner it has been usual, in the said district, to ascertain the amount of such rent between landlord and tenant.

Rent received in grain or produce.

Rule 16. The duty shall be assessed on all lands and houses, whether occupied at the time of assessment or not.

Duty to be assessed on lands and houses whether occupied or not.

Rule 17. The said duty shall not be levied on any house which shall be unoccupied for such year or portion of the year as the same shall be unoccupied, but the assessment thereupon for such year or portion of the year as aforesaid, shall, upon appeal, be discharged or diminished by the Collector or Commissioners, on due proof of the time during which such house remained unoccupied.

Remission of assessment on unoccupied houses.

Rule 18. If any dispute shall arise touching the annual value of any land or house, and the Collector or Commissioners shall deem it necessary, or the person chargeable shall desire, that a valuation thereof shall be made by any competent person, it shall be lawful for the Collector or Commissioners to direct that a valuation be made by any such person to be named by the Collector or Commissioners, the costs and charges whereof shall abide the final determination of the Collector or Commissioners, and to require the just valuation to be verified on the oath or solemn affirmation of the person making the same. If the person chargeable, after having desired such valuation, or any person instigated by him, shall obstruct or resist the making of such valuation, the Collector or Commissioners shall make an assessment according to the best of their judgment without such valuation.

Power to appoint a valuer.

Rule 19. It shall be competent to the Collector or Commissioners, in every case where the valuation so made shall exceed the value put upon the said land or house by the person chargeable, to direct that the costs and charges attending the same shall be paid by him; but if they shall be of opinion that such costs and charges have not been incurred through any fault of such person, they shall direct the same to be paid by the Collector of the district, who, on the certificate of the Collector or Commissioners present at the time of the determination, shall pay the same.

Costs of valuation, by whom to be paid.

Rule 20. Whenever by any flood, drought, or tempest, loss shall be sustained on the growing crops, or on the stock on lands let to tenants, or the lands, or any part thereof, shall by such flood, drought, or tempest be rendered incapable of cultivation for any year, and it shall be proved to the satisfaction of the Collector or Commissioners that the owner of the said land, or the person in receipt of the rents thereof, has, in consideration of such loss, abated or agreed to abate to any tenant the whole or any proportion of the rent reserved or payable by such tenant for any year of such lease, it shall be lawful for the Collector or Commissioners to abate in the assessment made in respect of the said lands for the same year for which such rent has been abated, and to discharge therefrom the whole or the like proportion of duty as the said owner shall be proved to have abated from the rent reserved and made payable to him on such lease.

Deduction in favour of owners where rent reduced in consequence of flood, drought, or tempest.

Rule 21. It shall also be lawful for the Collector or Commissioners, in every such case, to abate in the assessment made in respect of the occupation of the said land for the same year, and to discharge therefrom the like proportion of duty as shall have been abated or discharged from the assessment made in respect of the property on the said land for the cause aforesaid.

A similar provision in favour of occupiers.

Rule 22. Whenever, from any of the causes aforesaid, the like loss shall be sustained on any land in the occupation of the owner, and the same shall be proved to the satisfaction of the Collector or Commissioners, it shall be lawful for the Collector or Commissioners to abate in the assessment made in respect of the said land, and to discharge the whole or any part of the said duty, in proportion to the loss so sustained, and to the amount which the Collector or Commissioners shall be of opinion would or ought to have been abated as aforesaid,

A similar provision as to lands in occupation of owner.

if the said land had been let to a tenant, and a proportionate abatement had been made to such tenant under the circumstances of the said loss.

**Deductions for loss caused by insolvency or absconding of tenants.**

Rule 23. Whenever any loss of rent shall be sustained by the owner or landlord of any land occasioned by the insolvency or absconding of the tenant or occupier by whom such rent was payable, or by the fraudulent assignment or removal of his goods, or by reason of such land being left unoccupied or waste, and the same shall be established to the satisfaction of the Collector or Commissioners, it shall be lawful for the Collector or Commissioners to abate in the assessment made in respect of the said land, and to discharge the whole or any part of the said duty in proportion to the loss so sustained.

## PART VIII.

### *Rules under Schedule* 2.

**Assessment of duties under Schedule 2.**

XCVIII. The duties hereby imposed contained in the Schedule marked 2, sha be assessed and charged under the following Rules:—

### SCHEDULE 2.

The said Rules shall extend and apply to every description of property or profits which shall not be contained in either Schedule 1 or Schedule 3, and to every description of profession or employment of profit not contained in Schedule 4, and not specially exempted from the said duties, and shall be charged annually on, and paid by the person receiving or entitled to the same, and his representatives.

### FIRST CASE.—*The Duties to be charged in respect of any Trade.*

**Computation of duties to be charged for the preceding year.**

Rule 1. The duties to be charged in respect of any trade shall be computed upon a sum not less than the full amount of the profits of such trade during the preceding year; that is to say, during one year ending on the day of the year immediately preceding the year of assessment on which the accounts of the said trade shall have been usually made up, or on the 30th day of April preceding the year of assessment, and shall be assessed and paid without other deduction than is hereinafter allowed. Provided that any profits made in respect of any trade or adventure carried on entirely out of India, and which shall be in no way connected either with the products of India exported therefrom, or with any manufactures or products whatever purchased out of India, and imported or to be imported into India, shall be exempted from any charge under this Act, unless such profits be received in India.

**Proviso as to profits of trade, &c, carried on out of India.**

**Computation when the trade has been commenced within the preceding year.**

Rule 2. When the trade shall have been set up and commenced within the period of one year, or within the year of assessment, the computation shall be made according to an average of the profits for such period as the Collector or Commissioners shall, under the circumstances, direct.

**Description of trades chargeable under Schedule 2.**

Rule 3. The duties under Schedule 2 shall extend to every trade, whether the same be connected with the occupation and use of land or not, including among others the following persons: railway companies, canal companies, steam navigation companies, irrigation companies, docking companies, coal companies, gas companies, mining companies, tea companies, indigo planters and manufacturers, coffee planters, sugar planters, tea planters, silk manufacturers, holders of silk filatures, and all companies and persons holding or using land for the purpose of manufacturing the produce thereof and selling such produce when manufactured, or for any purpose of the nature of trade or manufacture, whether such companies or persons are subject to the Bankrupt or Insolvent Laws as traders or not. The foregoing enumeration shall not be construed to exclude any person not expressly specified therein, who would, but for such enumeration, have been deemed to be included therein under the general words of this Rule.

Rule 4.

Rule 4. In estimating the profits or income chargeable under Schedule 2, or for the purpose of assessing the duties thereon, no sum shall be allowed to be set against or deducted from such profits or income on account of any sum expended for repairs of premises occupied for the purpose of such trade, manufacture, or concern, nor for any sum expended for the repairs of any implements, utensils, or articles employed for the purpose of such trade, manufacture, or concern, beyond the sum usually expended for such purposes, according to an average of three years preceding the year in which such assessment shall be made; nor on account of loss not connected with, or arising out of such trade; nor on account of any capital withdrawn therefrom, nor for any sum employed or intended to be employed as capital in such trade; nor for any capital employed in improvement of premises occupied for the purposes of such trade, manufacture, or concern; nor on account of any interest which might have been made on such sums if laid out at interest; nor for any debts, except bad debts proved to be such to the satisfaction of the Collector or Commissioners.

*No deduction to be allowed in computation, except those specified.*

Rule 5. In estimating the amount of the profits or income arising as aforesaid, no deduction shall be made on account of any annual interest, or any annuity or other annual payment paid or payable to any person out of such profits.

*No deduction on account of annuities payable out of profits.*

SECOND CASE.—*The Duties to be charged in respect of Professions or Employments not contained in any other Schedule of this Act.*

Rule 6. The duties on professions or employments shall be construed to extend to every profession and employment in any character whatever, for whatever period, and to all profits and earnings, of whatever value, subject only to such exemptions as are hereinafter mentioned.

*Duties chargeable on all employments, whether annual or not.*

Rule 7. The duties to be charged shall be computed at a sum not less than the full amount of the balance of the profits and income of such profession or employment (after making such deductions as by this Act are allowed) within the preceding year, ending as in the first case, to be paid on the actual amount of such profits or income, without any deduction, subject to the like provisions as are made in the first case in Rule No. 2, in respect of the period of computation in the case of setting up or commencing such profession or employment within the year preceding the year of assessment, or within the year of assessment.

*Period of computation.*

Rule 8. The fourth and fifth Rules in the first case shall also extend to the profits arising under the second case, as far as they are applicable.

*4th and 5th rules of Case 1 applicable to Case 2.*

*Rules applying to both the preceding Cases.*

Rule 9. In estimating the profits or income to be charged according to either of the first or second cases, no sum shall be allowed to be set against or deducted from such profits or income for any disbursements or expenses whatever, not being money wholly and exclusively expended for the purposes of such trade, or of such profession or employment, nor for any disbursements or expenses of maintenance of the parties, their families, or establishments, nor for the rent or value of any dwelling-house or domestic offices, or any part of such dwelling-house or domestic offices, except such part thereof as may be used for the purposes of such trade, profession, or employment, not exceeding the proportion of the said rent or value hereinafter mentioned, nor for any sum expended in any other domestic or private purpose distinct from the purposes of such trade, or of such profession or employment.

*Disbursements which are not to be allowed in computing profits under Schedule 2.*

Rule 10. The computation of the duties to be charged in respect of any trade, profession, or employment, whether carried on by any person singly or by any two or more persons jointly, or by any corporation, company, or society, shall be made inclusive of the profits or income arising from any land or house occupied for the purpose of such trade or of any profession or employment.

*Duties to be computed inclusive of profits arising from lands connected with trade.*

Rule 11. The computation of duties arising in respect of any trade, profession, or employment carried on by two or more persons jointly, shall be made and stated jointly and in one sum, and separately and distinctly from any other duty chargeable on the same persons or either or any of them.

*Computation in the case of several persons in partnership.*

Return of partner first named in deed or of precedent acting partner resident in India, sufficient authority to charge partners jointly.

Rule 12. The return of the partner who shall be first named in the deed, instrument, or other agreement of co-partnership, or where there shall be no such deed, instrument, or agreement, then of the partner who shall be named singly, or with precedence to the other partner or partners, in the usual name, style, or firm of such co-partnership, or where such precedent partner shall not be an acting partner, then of the precedent acting partner, and who shall be resident in India, shall be sufficient authority to charge such partners jointly.

Liability of every such partner to penalty for default in making returns.

Rule 13. Every such partner who shall be so first named as aforesaid, and such precedent partner or precedent acting partner as aforesaid resident in India, is hereby required, under the penalty herein contained for default in making any return required by this Act, to make such return on behalf of himself and the other partner or partners, whose names and residences shall also be declared in such return.

Where no such partner is resident in India.

Rule 14. Where no such partner shall be resident in India, then the statement shall be prepared and delivered by their agent, manager, or factor, resident in India, jointly for such partners, and such joint assessment shall be made in the partnership name, style, or firm, and no separate statement shall be allowed in any case of partnership, except for the purpose of the partners separately claiming an exemption as herein directed, or of accounting for separate concerns.

Case of separate assessment.

Rule 15. Any partner being entitled to exemption, shall declare the proportion of his share in such partnership, trade, or profession, in order to a separate assessment. For the above purpose, it shall be lawful to charge the partners in such partnership separately; but if no such claim be made, and in any other case, such assessment shall be made jointly, according to the amount of the profits and gains of such partnership.

Partners returned by precedent partner may return their own names.

Rule 16. Any partner in such trade, profession, or employment, who shall have been already returned by such precedent partner as aforesaid, may return his name and place of abode, and that he is such partner, without returning the amount of duties payable in respect thereof, unless the Collector or Commissioners shall think proper to require a further return, in which case it shall be lawful for the Collector or Commissioners to require from every such partner the like return as they are hereby entitled to require from the precedent partner.

Rule as to change in partners.

Rule 17. If amongst any persons engaged in any trade, or in any profession or employment in partnership together, any change shall take place in any such partnership, either by death or dissolution of partnership as to all or any of the partners, or by admitting any other partner therein before the time of making the assessment, or within the period for which the assessment ought to be made under this Act, or if any person shall have succeeded to any trade, or any profession or employment, within such respective periods as aforesaid, the duties payable in respect of such partnership, or any of such partners, or any person succeeding to such profession, trade, or employment, shall be computed and ascertained according to the profits and income of such business derived during the respective periods herein mentioned, notwithstanding such change therein or succession thereto as aforesaid, unless such partners or such persons succeeding to such business as aforesaid shall prove, to the satisfaction of the Collector or Commissioners, that the profits or income of such business have fallen short, or will fall short, for some specific cause, to be alleged to them, since such change or succession took place and by reason thereof.

Statement of profits to include every source of profit.

Rule 18. Every statement of profits or income to be charged under this schedule shall include every source so chargeable on the person delivering the same on his own account or on account of any other person.

Statement of profits on behalf of other persons or of corporations, companies, or societies.

Rule 19. Every such statement on the behalf of any other person, for which such person shall be chargeable as acting in any of the characters before described, or on the behalf of any corporation, company, or society, shall include every source chargeable as last aforesaid, and shall be delivered in that district where such person, corporation, company, or society would be chargeable, if acting on his or their own behalf.

THIRD

THIRD CASE.—*The Duties to be charged in respect of Profits of an uncertain yearly value not charged in Schedule* 1.

Rule as to profits of uncertain yearly value

Rule 20. The duties to be charged in respect of profits of uncertain yearly value not charged in Schedule 1, shall be computed at a sum not less than the full amount of the profits arising therefrom within the preceding year, ending as in the first case, to be paid on the actual amount of such profits, without any deduction.

Rule as to profits on securities not included in schedule 3.

Rule 21. The profits on all securities bearing interest payable out of the public revenue (except securities herein directed to be charged under the rules of Schedule 3), and on all discounts, and on all interest of money, not being annual interest, shall be charged according to the last preceding rule in this case.

FOURTH CASE.—*The Duties to be charged in respect of Interest or Income arising from any Property situated out of British India, whether in any other part of Her Majesty's Dominions or not.*

Computation of income arising from property out of British India, to be made according to receipts of preceding year.

Rule 22. The duties to be charged on any person residing in India, in respect of any interest or income ariisng from any property situated out of India, whether in any other part of Her Majesty's dominions or not, if such interest or income is received or intended to be received in India, shall be computed on a sum not less than the full amount of the actual sums which have been received in India during the preceding year, without other deduction or abatement than is herein allowed.

FIFTH CASE.—*The Duties to be charged in respect of any annual Profits or Income not falling under any of the foregoing Rules, and not chargeable under any other Schedules.*

Computation of profits not falling under any of the foregoing rules

Rule 23. The nature of any profits or income not falling under any of the foregoing rules, and the principle on which the amount thereof shall have been computed, and the average taken thereon (if any), shall be stated in the return made by the party in this behalf, and the computation shall be made either on the amount of the full value of the profits or income received annually, or according to an average of such period, not exceeding one year, as the case may require, and as shall be directed by the Collector or Commissioners, and such statement and computation shall be made to the best of the knowledge and belief of the person in receipt of the said profits or income, or entitled thereto.

*General Rules.*

When one person, or one firm consisting of the same persons, carries on two distinct trades, losses in one trade may be set off against profits in the other

Rule 24. Any person carrying on in the same presidency town, station in the Straits Settlement, or district, two or more distinct professions, trades or employments, the profits whereof are made chargeable under the Rules of Schedule 2, and in each of which he is solely interested; or any two or more persons carrying on in the same presidency town, station in the Straits Settlement, or district, in partnership with each other, two or more distinct professions, trades or employments, in each of which the same persons alone are interested, may deduct and set off against the profits acquired in one or more of the said professions, trades or employments, the excess of the loss sustained in any other of the said professions, trades or employments, over and above the profits thereof, in such manner as may be done under this Act where a loss may be deducted from the profits of the same trade.

In such cases separate statements of profits and losses to be made

Rule 25. Such person or persons shall, in such cases, make separate statements of the profits and losses of the said several trades.

Deduction for two-thirds of rent of house occupied for purposes of trade or profession.

Rule 26. Any person carrying on any profession, trade, or employment, either alone or in partnership, renting a house, part of which shall be used by him for the purposes of any profession, trade or employment hereby charged, may deduct and set off from the profits of such profession, trade or employment such sum,

not exceeding two-third parts of the rent *bonâ fide* paid for such house, with the appurtenances, as the Collector or Commissioners shall think fit to allow, and the Collector or Commissioners shall have authority to allow such deductions as in other cases, and to assess such person accordingly.

Duty to be charged on all annual interest not otherwise charged under this Act.

Rule 27. Upon all annuities, yearly interest of money, or other annual payments, whether such payments shall be payable within or out of India, either as a charge on any property of the person paying the same by virtue of any deed, or will, or otherwise, or as a reservation thereout, or as a personal debt or obligation by virtue of any contract, or whether the same shall be received and payable half-yearly, or at any shorter or more distant periods, the duties payable under this Act shall be charged upon the annual amount thereof without deduction, subject to the provisions by which the duties in the 3d Case of Schedule 2 may be charged.

On whom duties to be charged.

Rule 28. In every case in which such duties shall be payable out of profits brought into charge by virtue of this Act, no assessment shall be made upon the person entitled to such annuity, interest, or other annual payment; but the whole of such profits shall be charged with the said duties on the person liable to such annual payment.

Interest from profits charged liable to deduction.

Rule 29. The person so liable to make such annual payment, whether out of the profits charged with duties, or out of any annual payment liable to deduction, or from which a deduction shall have been made, shall be authorised to deduct out of such annual payment the duties payable thereon under this Act.

At what rate of duties deduction to be allowed.

Rule 30. The person to whom such payment, liable to deduction, is to be made, shall allow such deduction at the full rate of duties hereby directed to be charged upon the receipt of the residue of the money.

Acquittance and discharge of amount of deduction.

Rule 31. The person charged to the said duties, having made such deduction, shall be acquitted and discharged of so much money as such deduction shall amount unto, as if the amount thereof had actually been paid to the person to whom such payment shall have been due and payable.

All other interest how to be charged.

Rule 32. When any annual payment as aforesaid shall, by reason of the same being charged on any property or security not being in India or otherwise, be received or receivable without any such deduction as aforesaid, and when any such payment shall be made from profits not charged by this Act, or when any interest of money shall not be reserved or charged, or payable for the period of one year, then and in every such case there shall be charged upon such interest, annuity, or other annual payment as aforesaid, the duties herein mentioned according to, and subject to the several provisions by which the duties in the 3d Case of Schedule 2 may be charged.

Deduction on payment of interest of money and other payments from profits under Schedule 2, to be made under a certificate.

Rule 33. Whenever it shall be proved to the satisfaction of the Collector or Commissioners acting in the place where any person making the application shall reside, that any annuity, interest of money, or other annual payment shall be annually paid out of the profits *bonâ fide* accounted for and charged by virtue of this Act, at the rate and according to the Rules specified in Schedule 2, without any deduction on account thereof, it shall be lawful for the Collector or Commissioners to grant a certificate thereof under the hands of any one of them, in the form to be prescribed as aforesaid, which certificate shall entitle the person so assessed, upon payment of such annuity, interest, or other annual payment, to deduct so much thereof as a like rate on such annuity, interest, or other annual payments would amount unto. But no such certificate shall be required where such payments are to be made out of the profits arising from any land or house as before mentioned, or of any office or employment of profit, or out of any annuity, or pension, or any dividend or share in such public annuities as are herein mentioned, but such deductions in all such cases may be made without having obtained such certificate.

In what cases deductions may be made without certificate.

*Rules as to Districts in which Persons are chargeable.*

Where corporations, companies, or societies are chargeable.

Rule 34. Every body corporate, company, or society shall be charged to the duties contained in this Act by the Collector or Commissioners acting for the place where the head office in India of such body corporate, company, or society is situate.

Rule 35.

Rule 35. Every person being a householder, except persons engaged in any trade, profession, or employment, shall be charged to the said duties contained in Schedule 2 by the Collector or Commissioners acting for the place where the dwelling-house of such person shall be situate.

Where householders, other than persons engaged in any trade, profession or employment, are chargeable.

Rule 36. Every person engaged in any trade, profession, or employment shall be charged to the said duties contained in the said Schedule 2, by the Collector or Commissioners acting for each place where such trade shall be carried on, or such profession or employment shall be exercised.

Where persons engaged in any trade, &c., are chargeable.

Rule 37. When any trade shall be carried on in India by the manufacture of goods, wares, or merchandise, the assessment thereon shall be at the place of manufacture, although the sale of such goods, wares, or merchandise shall be elsewhere.

Where manufacturers are to be assessed.

Rule 38. Every person, not being a householder, nor engaged in any trade, profession, or employment, who shall have any place of ordinary residence, shall be charged by the Collector or Commissioners acting for the place where such person shall ordinarily reside.

Where persons, not being householders nor engaged in trade, &c. are chargeable.

Rule 39. Every person not hereinbefore described shall be charged by the Collector or Commissioners acting for the place where such person shall reside at the beginning of each year.

Where persons not hereinbefore described are chargeable.

Rule 40. Every such charge shall be valid and effectual, notwithstanding the subsequent removal of the person so charged from such place.

Every charge made as aforesaid not affected by subsequent removal.

Rule 41. Every person not being engaged in any trade, profession, or employment, having two or more houses at which he shall be ordinarily resident, shall be charged by the Collector or Commissioners acting for each place where such houses shall be situate.

Persons not engaged in trade, having more than one dwelling house, where chargeable.

Rule 42. Every person having two or more residences, or carrying on any trade, or exercising any profession or employment in different places, or in any place different from the place of his ordinary residence, shall be served with a notice in each of such places, and shall deliver in each of such places the like returns and declarations as he is required to deliver by this Act. Such person shall in each of his returns state all the places in which he carries on any trade, or exercises any profession or employment, the place of his ordinary residence, and the place where he resided at the beginning of the current year.

Persons having more than one residence, or carrying on trade in different places, shall be called on to make returns at each place.

Rule 43. The duties to be assessed by virtue of this Act, in respect of the profits or income arising from possessions or securities out of British India, whether within any other of Her Majesty's dominions or not, shall be stated to and assessed by the Collector and Commissioners respectively acting for the place where the person receiving or entitled to the same shall reside or carry on any trade or profession.

Profits from foreign possessions to be charged in districts where persons chargeable reside or carry on trade.

Rule 44. No person who shall be liable to be charged in different places under this Act shall be liable to any double payment in respect of the same property or source of income.

No person chargeable in different places to be liable to double payment.

*Rules for Temporary Residents in India.*

Rule 45. No person who shall, on or after the passing of this Act, be in India for some temporary purpose only, and not with any view or intent of residing therein for a period exceeding six months in the whole from the commencement of such residence, and who shall not actually have resided in India at one time or at several times for a period equal in the whole to six months in any one year, shall be charged with the duties mentioned in Schedule 2, as a person residing in India in respect of the profits or income received from or out of any possessions, property, or securities, not being in India, or from any trade, profession, or employment not carried on in India.

Temporary residents to be charged in respect of income and profits out of India after six months' residence, but not before.

Rule 46. Every such person, if he shall actually reside or remain in India for such period as aforesaid, shall be chargeable to the said duties in the place in which he shall reside or be, for the year commencing on the 1st day of August preceding.

Duties where and for what year chargeable.

Persons quitting and returning to India and completing within the year of assessment a residence of six months, liable for the whole year.

Rule 47. Every such person who, having quitted India as aforesaid, shall return to India and complete, within the year of assessment, a residence of six months, shall be chargeable to the said duties in the place wherein he shall reside or be, as a person residing in India, for the whole of the year in which such assessment shall have been made.

*General Rule.*

Returns and declarations may be delivered sealed, but superscribed with name and address of the party.

Rule 48. All returns and declarations, containing the amount of profits or income charged under Schedule 2, may be delivered sealed up, if superscribed with the name and place of abode of, or place of exercising the profession or employment, or carrying on trade by the person by whom the same shall have been made.

## PART IX.

*Rules under Schedule* 3.

Assessment of duties under Schedule 3.

XCIX. The duties hereby imposed contained in the Schedule marked 3, shall be assessed and charged under the following Rules, that is to say:—

SCHEDULE 3.

Duties to be paid to officers entrusted with payment of interest or annuities.

Rule 1. The said last-mentioned duties shall be assessed by the *ex-officio* and special assessors herein authorised to make the assessment on any interest, annuities, dividends, or shares of annuities charged in the said Schedule 3, and shall be deducted by the officers and persons entrusted with the payment of such interest, annuities, dividends, or shares of annuities on behalf of the persons entitled thereto. Such duties shall extend to all interest, annuities, dividends, or shares of annuities whatever, payable in India, out of any public revenue, which shall become due on or after the 1st day of August 1860.

Government promissory notes enfaced for payment of interest out of India.

Rule 2. All promissory notes of the Government of India which shall be enfaced for payment of the interest thereon out of India either by drafts or bills on India or otherwise, shall in all cases be enfaced subject to the condition that the amount of any duties which may at any time be chargeable in India in respect of such interest, shall be deducted therefrom at the place where the interest shall be paid, or the drafts or bills shall be given.

Officers entrusted with payment of interest to set apart and retain duties.

Rule 3. The officers and persons entrusted with the payment of the said interest, annuities, dividends, or shares of annuities, shall set apart and retain the amount of duties so assessed on the interest, annuities, dividends, and shares for the purposes of this Act.

Such setting apart and retention to be deemed a payment.

Rule 4. Every such setting apart and retaining of the said duties shall be deemed a payment thereof by, or on the behalf of, the persons entitled to the said interest, annuities, dividends, and shares of annuities respectively.

Such payment to be made on receipt of residue.

Rule 5. All persons are hereby required, on receipt of the residue of the said interest, annuities, dividends, and shares of annuities over and above the duties so assessed, to allow such payment in respect of the said assessment.

Acquittance and discharge in respect of such payments.

Rule 6. The officers and persons entrusted as aforesaid, and the Secretary of State in Council, and all persons responsible for the due payment of such interest, annuities, dividends, and shares of annuities, shall be acquitted and discharged of and from so much money so set apart and retained as aforesaid, as if the same had actually been paid to the persons to whom such interest, annuities, dividends, and shares did or might belong, or were by law payable.

## PART X.

### *Rules under Schedule 4.*

Assessment of duties under Schedule 4 on salaries, perquisites, or profits of offices, annuities, salaries and pensions.

C. The Duties hereby imposed, contained in the Schedule marked 4, shall be assessed and charged under the Rules hereinafter mentioned; and the said Duties shall be annually charged on the persons respectively holding or exercising the offices or employments of profit mentioned in Schedule 4, or to whom the annuities, pensions, or salaries mentioned in the said Schedule shall be payable. The Duties, in respect of every annuity, pension, or salary shall be assessed upon the amount of such annuity, pension, or salary, and the Duties in respect of every office or employment shall be assessed upon the amount of all salaries, fees, commissions, or other profits accruing by reason of such office or employment, whether the same be paid by Government, or received from any other person whatever, or be deducted by the person holding such office or employment from any funds in his possession.

CASE 1.—*Public Offices and Employments; and Annuities, Pensions, and Salaries payable by the Government of India.*

Assessment, when to be made.

Rule 1. Every assessment in respect of every such annuity and pension and salary, and every assessment in respect of every salary or payment made by Government to any public officer, shall, in cases requiring audit, be made at the time of audit, and in all other cases at the time of payment.

Descriptions of offices charged.

Rule 2. The said Duties shall be paid on the profits or income arising from any public office or employment of the description hereinafter mentioned, or arising to any of the officers hereinafter mentioned when serving in India.

(1.) Any office or employment held under the Government, or the salary whereof, or emoluments attached whereto, are payable by the Government, or out of any public revenue in India.

(2.) Any Commisioned Officer belonging to Her Majesty's Army, or to Her Majesty's Indian Forces.

(3.) Any Commissioned Officer in Her Majesty's Navy, in respect of any emoluments received by him from the Government of India.

(4.) Any Commissioned Officer in the Indian Naval Forces of Her Majesty, or in the Marine Establishment.

(5.) Any office or employment of profit held in any Court of Justice.

(6.) Any office or employment of profit under any public institution, or on any public foundation, of whatever nature, or for whatever purpose the same may be established.

(7.) And every other public office or employment of profit of a public nature.

Fees or perquisites to be estimated on profits of preceding year.

Rule 3. Every public officer chargeable under Schedule 4 of this Act in respect of any fees, commissions, perquisites, or profits, not being salaries to be assessed under Rule 1, shall be subject to, and shall be assessed under the provisions of the 4th Part of this Act; and such fees, commissions, perquisites, and profits shall be estimated on the receipts in respect thereof during the preceding year ending on the 30th of April, or on any other day on which the accounts of such fees, commissions, perquisites, and profits have been usually made up.

CASE 2.—*Rules for Offices or Employments of Profit under any Company in India.*

Assessment, by whom to be made.

Rule 4. When the salaries, perquisites, or profits of any person chargeable with the Duties under Schedule 4 shall arise from any office or employment of profit under any Company in India, in whose employment the person chargeable shall be, the assessment shall be made by an Assessor who shall be specially entrusted with the duty of making such assessment by the Collector or Commissioners of the place where such Company shall have its head office.

Persons assessed for offices to be deemed to have exercised the same at the head office.

Rule 5. Every person holding any office or employment in or under any Company in India as aforesaid shall be deemed to have exercised the same at the head office in India of the Company under which such office or employment shall be held, and shall be assessed for such office or employment as if exercised at such office, although the duties of such office or employment shall be performed, or any part of the profits arising from such office or employment shall be payable elsewhere, whether within or out of India.

Assessor to prepare an abstract of assessments.

Rule 6. The Assessor appointed to make assessments under these Rules shall, as soon as such assessment is completed, make an abstract of the same in the form to be prescribed as aforesaid, and shall forward such abstract to the Collector or Commissioners of the place where such head office is held, and shall deliver a copy of the same at such head office. If the Assessor be not satisfied with the return made on behalf of such Company by the Treasurer or other officer making the same, under Sections LXXXIX and XCI of this Act, he shall enter his remarks thereon in the said abstract, and shall further assess the officers employed by such Company at such rate as he shall think right. Thereupon the same proceedings shall be taken by the Collector and Commissioners as in the case of individual returns as hereinbefore provided.

Duties, where and how payable.

Rule 7. The Duties payable on all such assessments shall be paid at the head office in India of such Company, by the Treasurer or other officer of such Company whose duty it is to pay the salaries of such Company at such office.

Full value of offices to be stated, although exemption claimed.

Rule 8. When any person holding any such office or employment, in or under any Company in India, shall claim to be exempt from such assessment, the Assessor shall nevertheless set down in such assessment the name of such person, and the full and just annual value of his office or employment, and the claim to such exemption shall be preferred to and examined by the Collector or Commissioners, and the merits thereof shall be heard and determined by the Collector or Commissioners under the regulations of this Act with respect to other assessments.

Commissioners to deliver duplicates of assessments to collecting officers.

Rule 9. The Collector or Commissioners shall cause the like duplicate to be made of the said assessments, and delivered to collecting officers with like warrants to collect the said Duties as are by this Act directed, to be given to collecting officers for any Districts.

Duties on offices which cannot be stopped to be certified in case of non-payment.

Rule 10. When the Duties hereby chargeable upon any office or employment of profit cannot be detained and stopped, according to the provisions of the following Rule 11, or the amount of such Duties shall have been paid over to the person holding or exercising the said office or employment, and such person shall refuse or neglect to pay the sum of money charged upon him, the Assessor for assessing the duties on the said offices shall certify in writing to the Collector or Commissioners such neglect or refusal, and the sum payable by virtue of this Act. The collecting officer thereupon shall levy the said duties by the like ways and means, and under the like powers, as are herein provided in regard to the duties under Schedules 1 and 2, and as if such officer or person were charged to the said duties in such District.

Collecting officer to levy the duties.

CASE 3.—*Rules applicable to both Cases.*

Assessment, how to be enforced.

Rule 11. The sums assessed under the foregoing Sections shall be stopped out of any money which shall be payable to the persons assessed in respect of any salaries, perquisites, profits, and pensions so assessed, or the arrears thereof.

No duties on account of official deductions from salaries, &c.

Rule 12. In estimating the Duties payable for any such office or employment of profit, or on any annuity, pension, or salary, all official deductions and payments made upon the receipt of the salaries, perquisites, and profits thereof, or in passing the accounts belonging to such office, or upon the receipt of such annuity, pension, or salary, shall be deducted.

Public officers becoming entitled to increased salaries to be charged for the same by supplemental assessment.

Rule 13. When any person holding any office or employment of profit, in respect of which he is liable under these Rules, shall, at any time during or in respect of any year of assessment, become entitled to any additional salary, perquisite, or profits, beyond the amount for which any assessment may have been made upon him, or beyond the amount for which, at the commencement of such

such year, he may have been liable to be assessed, an additional assessment shall from time to time, as often as the case shall require, be made upon such person for such additional salary, perquisite, or profits, so that he shall be assessed and charged for the full amount of the whole of the salary, fees, and emoluments which he shall receive or become entitled to at any time, and from time to time, during or in respect of the said year of assessment.

Duties charged on sums payable to any other person to be deducted out of the same.

Rule 14. Such portion of the said Duties, under Schedule 4, on offices or employments of profit, or on annuities, pensions, or salaries, as is charged upon any sum of money payable to any other person, shall be deducted out of the sum payable to such other person; and such person, his agent or receiver, shall allow such deductions and payments upon receipt of the residue of such sums.

Duties paid by the principal in an office upon salary paid to a deputy or clerk to be deducted out of such salary.

Rule 15. Such portion of the Duties as shall be charged on any office or employment of profit executed by any deputy or clerk, or other person employed under the principal in such office, and paid by such principal out of the salary or profits of such principal, shall be deducted out of the salary or profits so payable, and all such deputies, clerks, and other persons so employed shall allow to their respective principals such deductions and payments upon the receipt of the residue of such salaries or wages.

Deputy to pay for principal when in receipt of the profits.

Rule 16. If any office or employment of profit chargeable by Schedule 4 shall be executed by deputy, such deputy shall, in all cases where he shall be in the receipt of the profits thereof, be answerable for and shall pay such Duties as shall be charged thereon, and deduct the same out of the profits of such office or employment.

Officers receiving salaries or fees to be answerable for duties.

Rule 17. When the salaries, fees, or profits of any officer or officers chargeable under this Schedule shall be receivable by any one or more of the said officers for the use of such officers, to be divided amongst such officers in certain proportions, the officer or officers receiving such salaries, fees, or profits shall be answerable for the Duties charged thereon, and shall pay and deduct the same out of the funds provided for such respective offices or employments before any division or apportionment thereof.

Duties, when to be deducted.

Rule 18. Such portion of the said Duties as shall be stopped and deducted under this Schedule shall be stopped and deducted at such times in each year as the said sums shall be payable to the person entitled thereto.

## PART XI.

### *Discretionary Modes of Assessment in particular Districts.*

Assessment, by whom to be made in places other than the Presidency Towns or Straits Settlement.

CI. Except in the Presidency Towns and Stations of the Straits Settlement, it shall be lawful for the local Government, from time to time, to order that the assessment under Schedule 1 or Schedule 2 of this Act, in any part of the territories under such Government, or among any class of inhabitants of any part of such territories, or in respect of any one or more of the inhabitants of such territories, shall be made by Punchayet, to consist of not less than three persons, or by the Collector, or by any officer whom such local Government shall specially appoint for the purpose.

Appointment of Punchayet.

CII. When the assessment is ordered to be made by Punchayet, the members of the Punchayet shall be appointed by the Collector or by any Deputy Collector specially authorised to make assessments under Section XXII. of this Act.

When Collector, &c. ordered to make assessments.

CIII. If the assessment is ordered to be made by the Collector or other officer aforesaid, such Collector or other officer shall be guided, in making the assessment, by the general provisions of this Act, and all returns of profit and income, or other returns required by this Act, shall be made to such Collector or other officer.

If any person object to be assessed by Punchayet.

CIV. If any person residing in any place in which the assessment is ordered to be made by Punchayet shall, before any proceedings are taken by the Punchayet, object to be assessed by Punchayet, such person shall be assessed by the Collector or by any officer specially appointed as aforesaid under the ordinary provisions of this Act, as if no such order for assessment by Punchayet had been made.

Collector may require Punchayet to reconsider and revise assessment.

CV. If the Collector shall not be satisfied with the assessment made by the Punchayet, he may require the Punchayet to reconsider and revise the same.

If the Collector be dissatisfied, the assessment shall be made according to the ordinary provisions of this Act.

CVI. If the Collector shall not be satisfied with the assessment made by the Punchayet after he shall have required them to reconsider the same, or if the Punchayet shall refuse or neglect to revise and alter the same to the satisfaction of the Collector, the Collector shall certify that he is dissatisfied with the assessment made, and thereupon no further proceedings shall be held under the said order; but the several persons in the territories affected by such order, and chargeable with the said Duties, shall be assessed to the said Duties in the manner prescribed in and according to the ordinary provisions of this Act, and shall be liable to make all the returns and declarations, and to do the several acts and things in order to the said assessment, and shall be subject to the same proceedings as in this Act provided, as if no such order had been made.

Collector, if satisfied, shall confirm the assessment.

CVII. If the Collector shall be satisfied with the assessment made by the Punchayet as aforesaid, he shall confirm the same, and shall cause proclamation to be made in the part of the District where the persons affected thereby reside, that he has confirmed the said assessment.

Such confirmation shall be final and conclusive, except in cases of appeal or fraud.

CVIII. The assessment so confirmed shall be final and conclusive, unless the same shall be disallowed or varied upon any such appeal or further proceeding as hereafter mentioned, and the assessment shall also be subject to be surcharged in respect of fraud, as provided in this Act.

## PART XII.

### *Appeals from Assessment by Punchayets.*

Persons dissatisfied may appeal within fifteen days.

CIX. If any person assessed by a Punchayet shall be dissatisfied with the assessment, such person may, within fifteen days after the proclamation of the said assessment in the part of the District in which such person shall reside at the time of the assessment, or within such further period as the Collector for any special reason may allow, appeal to the Collector of the District.

Proceedings upon appeal shall be according to Part IV. of this Act.

CX. The appeal shall be made and the proceedings upon any such appeal shall be conducted according to the provisions of Part IV. of this Act.

Appellant required to do certain acts.

CXI. The person so appealing shall make all such returns and declarations, and shall do all such acts and things, as are required by Part IV. of this Act, and shall be subject to the several provisions in the said Part IV. of this Act.

Collector, if satisfied upon such appeal, shall reduce the assessment.

CXII. If, upon the hearing of such appeal, the Collector is satisfied that the assessment upon the person appealing is erroneous and excessive, the Collector shall reduce the assessment on such person, and shall settle in what sum the person so appealing ought to be assessed, and make an assessment on him accordingly. Such assessment shall be final and conclusive, subject only to such surcharge in the case of fraud as provided in this Act.

Collector, if dissatisfied, shall dismiss the appeal, and may charge double assessment.

CXIII. If, upon the hearing of such appeal, the person so appealing shall not satisfy the Collector that the assessment upon him is erroneous and excessive, his appeal shall be dismissed; and if it shall appear to the Collector that the appeal is frivolous or vexatious, the party appealing shall be liable to be charged by the Collector to the said duty, in a sum not exceeding double the amount at which he was assessed under the said assessment.

Members of Punchayets may attend before the Collector and support their assessment when appealed from.

CXIV. In all cases of appeal it shall be lawful for the members of the Punchayet from whose assessment the appeal shall have been preferred, or any of them, to attend before the Collector and to support their assessment, and the Collector may summon the members of the Punchayet to attend for such purpose.

Local Government to make regulations for the execution of this Act.

CXV. It shall be lawful for the local Government, from time to time, to make rules, not inconsistent with the provisions of this Act, for carrying out the provisions of this Act for assessment by Punchayet, and disposing of appeals from such assessment.

## PART XIII.

### *Exemptions.*

Exemption of persons whose income is less than 200 rupees yearly.

CXVI. No person shall be chargeable to any duty under this Act who shall prove to the satisfaction of the Collector or Commissioners, in the manner hereinafter mentioned, that the aggregate amount of his annual income or profits, from whatever source derived, estimated under the rules of this Act, is less than 200 rupees. Any person so satisfying the Collector or Commissioners as aforesaid shall be entitled to be repaid the amount of any deduction, or payment on account thereof, in the manner hereinafter directed, except so much of such duty as the person claiming such exemption shall be entitled to charge against any other person, or to retain from any payment to which such claimant may be liable.

Exemption of persons from the duty of 1 per cent. and from excess above 2 per cent. whose income is less than 500 rupees yearly.

CXVII. No person who shall prove to the satisfaction of the Collector or Commissioners that the aggregate amount of his profits or income, from whatever source derived, estimated as aforesaid, though amounting to 200 rupees a year, is less than 500 rupees, shall be charged with more than two rupees of every 100 rupees of the annual value of his profit or income, or shall be charged with any part of the duty of one rupee per centum chargeable under Section III. of this Act for roads, canals, and other reproductive public works. Any person so satisfying the Collector or Commissioners as aforesaid shall be entitled to be repaid the amount of any deduction, or payment on account of the said duty of one per cent., or of the excess of the said duty of three per cent., from which he shall be so exempted as aforesaid, except as in the last preceding section of this Act is excepted.

Claims for exemption in the preceding sections mentioned, and proceedings thereon, shall be determined before Collector or Commissioners.

CXVIII. The exemption allowed by the foregoing sections shall be claimed and proved, and all proceedings thereupon shall be had, before the Collector or Commissioners of the place where the claimant is charged, whether such claimant shall be personally charged in such place or not.

Persons entitled to such exemptions shall deliver to the Assessor a statement, stating the source of income.

CXIX. Every person assessed under this Act claiming to be entitled to such exemption as aforesaid shall, within the time to be limited as hereinbefore directed for delivering in the returns and declarations required by this Act, or within such further time as the Collector or Commissioners respectively shall for special cause assigned allow, deliver or cause to be delivered to the Assessor of the place where such claimant shall reside a notice of his claim to such exemption, together with a declaration signed by such claimant, and in such form as shall be prescribed as aforesaid, declaring and setting forth therein all the particular sources from whence the income of such claimant shall arise, and the particular amount arising from each source, and also every sum of annual interest or other annual payment reserved or charged thereon, whereby the income shall or may be diminished, and also every sum which such claimant may have charged, or may be entitled to charge, against any other person, on account of the Duties made payable by this Act, or which he may have deducted, or may be entitled to deduct, under the authority of this Act, from any payment to which he may be liable.

Assessor to transmit such statement to Collector or Commissioners.

CXX. The Assessor shall transmit such return and declaration to the Collector or Commissioners.

Property of persons claiming such exemption in any other District shall be exempted on the certificate of the Collector, or by the chief revenue authority of the District.

CXXI. If it shall appear to the said Collector or Commissioners that any property or profits of such person is or are assessed, or liable to be assessed, in any other place, the Collector or Commissioners shall certify to the chief revenue authority of the Presidency, Lieutenant Governorship, or Province, in such form as shall be prescribed as aforesaid; the allowance of exemption in respect of such property or profits; and the chief revenue authority shall direct the assessment made upon any profits or income of such claimant, in any other place, to be discharged, either wholly or to the extent of such excess as aforesaid, as the case may require, and the same shall be discharged accordingly.

On proof that persons entitled to exemption have been charged with Duties by the deduction from any annuity, dividend, and rent, Commissioners to grant certificate

CXXII. If it shall be proved to the satisfaction of the Collector or Commissioners that any person, whose claim to exemption has been allowed in manner aforesaid, has been charged to and has paid any duty under this Act by way of deduction from any rent, annuity, interest, or other annual payment to which he may be entitled, and from which a deduction is authorised to be made by this

thereof, which shall authorise the Collector to repay the amount of such Duties.

Act, or that such person has been assessed and has paid such Duty in respect of any interest, annuity, dividend, pension, or salary payable to him out of the public revenue, in such case it shall be lawful for the said Collector or Commissioners respectively to certify what shall have been so proved, and thereupon the same shall be repaid in such manner and under such rules as the local Government shall from time to time prescribe.

In case of incomes of offices, pensions, and salaries, the claim shall be made before the Assessors.

CXXIII. When the whole profit or income of the claimant shall arise from an office or employment of profit, or from an annuity, pension, or salary, the assessment on which is made by an ex officio or special Assessor, the claim to such exemption shall be made to and may be allowed by such ex officio or special Assessor.

Persons out of British India may claim by affidavit.

CXXIV. If the claimant shall be out of India, an affidavit stating the several matters required by this Act, taken before any person having authority to administer oaths and affirmations in the place where such claimant shall reside, may be received in relation to the assessment on which such claim is founded.

Claims may be made by agents or trustees on account of others.

CXXV. A claim for exemption may be made by a guardian, trustee, agent, or factor, on account of others, in any case where satisfactory proof shall be given that the party claiming such exemption is unable to attend in person, or such claim may be made by the several persons acting in any of the characters hereinbefore described, in such manner as they may act for others for the purpose of being assessed on their account in the first instance as hereinbefore directed.

All Government property exempted.

CXXVI. No person shall be chargeable to the Duties under this Act in respect of the profits derived by Government from any property, real or personal, vested in, or held in trust for, the Government, or the Secretary of State for India in Council for public purposes; and all such profits shall be wholly exempted from the said Duties.

Officers and soldiers of any military or police force, whose pay and allowances are less than those of a captain of infantry, exempted.

CXXVII. Officers, non-commissioned officers, and privates of Her Majesty's forces, or of Her Majesty's Indian military forces, or of any military police or other police force, whose pay and allowances shall be less than the pay and allowances of a captain of infantry in Her Majesty's forces in India, shall be wholly exempted from the said Duties in respect of any pay or allowance which they may receive from Her Majesty, or from the Government, or from any public revenue.

Naval and marine officers not above the rank of lieutenant exempted.

CXXVIII. Officers of Her Majesty's navy or of the Indian naval forces, or in the employment of Government in the marine department, not above the rank of lieutenant, and all warrant and petty officers and seamen, shall in like manner be exempted from the said Duties.

Public officers exempted in respect of travelling and other allowances.

CXXIX. Public officers, civil, military, or naval, shall be wholly exempted from the said Duties in respect of any allowance received by any such officer for travelling expenses, contract allowances, tent or horse allowance, or any allowance in lieu of house-rent, or to meet any disbursement for the public service.

Ryots, &c. paying less than 600 rupees yearly, exempted.

CXXX. Ryots and persons in the occupation of lands for agricultural purposes, and actually engaged in the cultivation and depasturing of the same, shall not be chargeable with the said Duty in respect only of the occupation of such lands, unless the rent paid by such ryots or persons in respect of such occupation, whether under direct engagement for the same with Government or not, shall amount at least to 600 rupees per annum, or unless the full annual value of such land at a rack-rent shall exceed that amount.

Persons occupying houses at a rack-rent exempted.

CXXXI. Persons occupying houses for the purpose of habitation only, and holding the same at a rack-rent, shall not be chargeable with the said Duties in respect of their occupation only of such houses.

Deduction on account of repairs of house.

CXXXII. The Assessor, in his assessment of houses actually occupied, shall deduct such amount for repairs as the owners thereof shall prove to his satisfaction to have been expended, not exceeding a sum equal to the rent of such houses for six months in every three years.

Power to exempt property used for charitable purposes or public religious purposes.

CXXXIII. It shall be lawful for the local Government, subject to the approval of the Governor General of India in Council, to order that any property, moveable or immoveable, solely employed for or dedicated to religious

or

or charitable public purposes, shall be wholly or partially exempted from the Duties chargeable under this Act, and to make such orders as may be necessary for securing and carrying into effect such exemption.

Persons who have made insurance, or contracted for a deferred annuity on the lives of themselves or wives, to be allowed an abatement of duties in respect of the annual premiums or sums paid.

CXXXIV. Any person who shall have made insurance on his life, or on the life of his wife, or shall have contracted for any deferred annuity on his own life, or on the life of his wife, in or with any insurance company duly registered under any Act of the Imperial Parliament, or under any Act of the Governor General of India in Council, or authorised by law to carry on business without registration, and any person who shall be liable to the payment of any periodical sum, or to have any sum periodically deducted from his salary, in order to secure a deferred annuity to himself or to his widow, or a provision to his children after his death, shall be entitled to deduct the amount so paid by him for such insurance or contract, or deducted from his salary as aforesaid, from any profits or income in respect of which he shall be liable to be assessed under any of the Schedules of this Act, excepting Schedule 3; or to have any assessment which may be made upon him under any of the said Schedules, except Schedule 3, reduced or abated by the deduction of the amount of the said annual premium or sum from the amount of the profits or income on which such assessment has been made.

Repayment of such Duties if already paid.

CXXXV. If such person shall be assessed to Duties under any of the Schedules contained in this Act, and shall have paid such assessment, or shall have paid or been charged with any of the said Duties by deduction or otherwise, such person, on claim made to the Collector or Commissioners, and on production to them of the receipt for such annual payment or sums, and on proof of the fact to the satisfaction of the said Collector or Commissioners, shall be entitled to have repaid to him such proportion of the said Duties paid as the amount of the said premium or sum bears to the whole amount of his profits on which he shall be chargeable under all or any of the Schedules of this Act.

No abatement or repayment in respect of premium, &c., beyond one-sixth of total profits or income.

CXXXVI. No such abatement, allowance, or repayment as aforesaid shall be made in respect of any such premium or sum beyond one-sixth part of the whole amount of the profits and income of such person so chargeable as aforesaid, nor shall any such deduction or abatement entitle any such person to claim exemption from Duties on the ground of his annual profits or income being thereby reduced below 200 rupees or 500 rupees, as the case may be.

## PART XIV.

### *Abatement and Relief from double Assessments.*

Collector or Commissioners to grant relief from double assessments.

CXXXVII. Whenever any person shall have been assessed to any of the Duties imposed by this Act, whether charged on him on his own account, or in any of the characters hereinbefore described on the behalf of any other person, and shall, by any error or mistake, be again assessed for the same cause and on the same account and for the same year, it shall be lawful for him to apply to the Collector or Commissioners acting for the place in which he shall have been so assessed, for the purpose of being relieved from such double assessment; and the Collector or Commissioners, on proof thereof to their satisfaction, shall cause such assessment, or such part thereof as shall be a double charge as aforesaid, to be remitted.

Governor General in Council to prescribe rules for repayment of double assessment.

CXXXVIII. Whenever any double assessment shall have been so remitted, it shall be lawful for the Collector or Commissioners to direct the repayment thereof in such manner and under such rules as the Governor General of India in Council shall prescribe.

Abatement on account of diminution of income, how to be allowed.

CXXXIX. If, within or at the end of the year for which any assessment shall be made under this Act, any person charged to the Duties contained in Schedule 2 shall prove to the satisfaction of the Collector or Commissioners that interest or profits during the year for which the assessment was made fell short of the sum on which the assessment (not being a composition) was made, it shall be lawful for the Collector or Commissioners to cause the assessment for such current year to be amended in respect of such source of profit, as the case shall require; and in case the Duties charged on such assessment shall have been paid,

paid, to order the repayment of the same in such manner and under such rules as the Governor-General of India in Council shall prescribe.

Abatement to be allowed when persons shall cease to exercise any trade, or shall die before the end of the year.

CXL. If any person charged to the Duties under Schedule 2 shall cease to exercise the profession or employment or to carry on the trade in respect to which the assessment was made, or shall die, or become bankrupt or insolvent, before the end of such year, or shall from any other cause be deprived of or lose the profits on which the assessment was made, such person or his representative may make application to the Collector or Commissioners within any period not exceeding three calendar months after the end of such year, and on proof thereof to their satisfaction the Collector or Commissioners shall cause the assessment to be amended as the case may require, and repayment of any Duties ordered to be remitted shall be made in such manner and under such rules as the Governor General of India in Council may prescribe.

Procedure in cases of succession to the trade of a person charged.

CXLI. When any person shall have succeeded to the trade of the person charged, no such amendment shall be made, unless it shall be proved to the satisfaction of the Collector or Commissioners that the profits of such trade have fallen short, from some cause, since such change took place, and by reason thereof; but such person shall be liable to the payment of the full Duty, without any new assessment.

## PART XV.

### *Mode of Payment and Collection of the Duties.*

Duties to be payable by four quarterly instalments.

CXLII. The Duties assessed under this Act, except where the same shall be detained and stopped as the pensions, salaries, allowances, interest, and annuities chargeable therewith become due at the respective offices, shall be payable in each year by instalments at the times following, that is to say, on or before the 1st day of November for the first quarterly instalment, on or before the 1st day of February for the second quarterly instalment, on or before the 1st day of May for the third quarterly instalment, and on or before the 1st day of August for the last quarterly instalment in each year. Provided that it shall be lawful for the local Government to prescribe such other periodical instalments and such other periods of payment as it shall think proper; and the orders of such local Government shall be notified by proclamation in the Districts to which such orders relate, in the manner usual in such Districts.

Proviso.

Collector or Commissioners to deliver duplicate assessment to collecting officer, which shall be sufficient authority to him to levy.

CXLIII. The Collector or Commissioners authorised to make assessments in respect of the assessments made by them shall, as soon as possible after the assessments shall have been determined, issue out and deliver to the respective collecting officers, duplicates of the assessments of the Duties charged in the respective Schedules, distinguishing the amounts charged under each of the said Schedules.

Form of duplicates.

CXLIV. Such duplicates shall, except in the cases provided for in Part XVI. of this Act, contain the names and descriptions of the persons assessed and charged.

Effect of duplicates.

CXLV. Such duplicates shall be a sufficient warrant and authority to the collecting officers for the levying and collecting of the said Duties specified in the duplicates, as the same shall become payable by such instalments as aforesaid, and such collecting officers shall proceed forthwith to levy and collect the same.

Payment of Duties at any treasury or office appointed under this Act.

CXLVI. Whenever any treasury or office shall be appointed by the local Government for the receipt of money under this Act, the payment of the Duties chargeable under this Act may be made by or on account of the person liable to the same at such treasury or office.

On payment, receipt to be given.

CXLVII. Whenever any payment shall be made at such treasury or office, or to any collecting officer to whom a duplicate of the assessment as aforesaid shall have been delivered by the Collector, of any instalment of Duties assessed under this Act, the officer receiving the amount shall give a receipt under his hand to the person who shall pay the same, and such receipt shall be a full and complete discharge for the money so paid.

CXLVIII. The

CXLVIII. The Collector or Commissioners shall cause general notice to be given in their respective jurisdictions, by proclamation in the manner usual therein, of the treasuries or offices appointed by the Government for the receipt of the said Duties, and of the officers or persons to whom the said Duties may be paid.

Collector or Commissioners to give general notice of appointment of treasuries, and of officers to whom Duties are to be paid.

## PART XVI.

### *Mode of Paymen of Duties under Schedule 2, when Parties desire to pay according to Numbers or Letters.*

CXLIX. The assessments upon profits or income under Schedule 2, made by the Collector or Commissioners, shall be entered in books, with the names and descriptions of the persons to be charged therewith, and their respective places of abode set opposite thereto, which entries shall be distinguished by numbers or letters, as the Collector or Commissioners shall think proper.

Assessments under Schedule 2 to be entered in books.

CL. When the person charged with any Duties under Schedule 2, and whose name and description shall have been entered as aforesaid, shall have declared his intention to pay the Duties at the proper treasury or office, or to the proper officer, within the time limited by this Act for payment thereof, if the Collector or Commissioners shall be satisfied with such declaration, they shall deliver to such person, or to any other person attending on his behalf, a certificate under the signature of the Collector, or of two or more of the Commissioners, specifying the amount to be paid by such person for one year upon such assessment.

Certificate of assessment to be delivered to persons.

CLI. Every such certificate shall be numbered or lettered with the same number or letter as the entry in the book to which the certificate shall relate, without naming or otherwise describing the person charged.

Certificate to be numbered and lettered.

CLII. Such certificate shall, on production thereof, be a sufficient authority to the officer in charge of such treasury or office, or to such collecting officer, to receive from the person producing such certificate the amount therein mentioned, in such proportions thereof as by this Act are made payable by instalments, and at the times by this Act appointed for payment thereof.

Effect of certificate.

CLIII. On the payment of the sums contained in such certificate, or any proportion thereof, the said officer in charge of such treasury or office, or the collecting officer, shall give an acknowledgment for the same, as paid on account of the certificate of the Collector or Commissioners, by the number or letter marked therein, as before directed.

Acknowledgment of payment according to certificate.

CLIV. It shall be lawful for the Collector or Commissioners to issue out and deliver to the respective collecting officers duplicates of the assessments made by them, containing the sums assessed on every person to whom a certificate hath been delivered by letter or number, together with the number or letter set opposite thereto in their respective books, before mentioned, without naming such persons, and all such sums shall be paid to the collecting officers; and such part thereof as shall not be so paid to them may be levied and collected as herein is provided.

Duplicates to be delivered to collecting officers, and when assessments are made under a number or letter, a warrant for receiving the Duties to be delivered.

CLV. The Duties payable on such last-mentioned assessments under Schedule 2 shall be paid at the proper treasury or office, or to the proper officer for receipt, by such instalments as by this Act is directed, on or before the respective days appointed for the payment of the same.

Duties on such assessments, where, how, and when payable.

CLVI. The acknowledgment hereby required to be given on such payment shall be delivered to the Collector or Commissioners before the time when the amount is hereby made payable, and the Collector or Commissioners shall grant receipt for the same. Such receipt shall be a sufficient discharge for the money so paid, in satisfaction of so much of the assessment as shall be mentioned in such certificate to be so paid.

Delivery of acknowledgment to Collector or Commissioners.

Effect of receipt.

CLVII. If any person shall neglect to pay the Duties at the time and in the manner hereby directed for payment thereof, or, having paid the same, shall neglect to deliver the acknowledgment required to be given on such payment as hereinbefore directed, the Collector or Commissioners shall deliver a duplicate

On default, duties may be levied in the ordinary way.

in the ordinary form of the assessment on any person who shall have made default in paying or accounting for the payment of the same, with his name and description, to the collecting officer, in order that he may levy the sum in arrear and unpaid, and such sums shall thereupon be levied according to the provisions hereinafter contained.

When parties are not assessed by a number or letter, Commissioners to deliver duplicate to collecting officer for collection.

CLVIII. When the Collector or Commissioners shall not have received a declaration of the intended payment to the treasury or office of the Duties to be charged under Schedule 2, or shall not be satisfied with such declaration, they shall deliver a duplicate of the assessment to the collecting officer with the name and description of the parties charged therewith, as provided in Section CXLIII. of this Act.

If, after declaration of intention to pay under number or letter, default is made, Collector or Commissioners to deliver duplicate to collecting officer.

CLIX. If, after the receipt of any such declaration, the Duties shall not be paid, the Collector or Commissioners shall cause the name of the defaulter, and the amount of Duties assessed on him, to be inserted in the duplicate assessment of the collecting officer, and such duplicate shall be of the like force and effect for collecting the sum, and such sum shall be levied, as if such name and sum had been inserted therein at the time of issuing such duplicate.

## PART XVII.

### *Recovery of Duties.*

In default of payment, collecting officer may proceed to recover arrears by distress or attachment and sale of moveable and immoveable property.

CLX. Whenever the amount of any instalment of the said Duties shall not be paid by any person liable to pay the same on the day appointed for the payment of such instalment, the collecting officer shall proceed for the recovery of such instalment by distress and sale of the moveable property, or by the attachment and sale of the immoveable property, of the person so making default as hereinafter provided.

Seizure and sale of moveable property to be made according to following rules.

CLXI. In the seizure and sale of moveable property for arrears of assessment the following rules shall be observed :—

Collector or Commissioners to furnish person distraining with a demand in writing.

1st. The Collector or Commissioners shall employ a person, hereinafter called the distraining officer, to distrain the property, and shall furnish to such officer a demand in writing, signed by the Collector or Commissioners, or by some officer empowered by him in that behalf, specifying the amount of the arrear for which the distress shall be issued, and the date on which the arrear fell due.

Defaulter to be served with a copy.

2d. The distraining officer shall produce the writing as authority for making the distress, and, on the day on which the property shall be distrained, shall deliver a copy of such writing to the defaulter, endorsing thereon a list or inventory of the property distrained, and the name of the place where the property may be lodged, or kept.

Writing to state that the distrained property will be sold.

3d. The writing shall further set forth that the distrained property will be brought to public sale within three days, unless the amount and the expense of the distress be previously discharged.

Mode of service when defaulter is absent.

4th. When a defaulter shall be absent, a copy of the writing, with the endorsement, shall forthwith be fixed or left at his usual place of residence.

Consequence of defaulter neglecting to pay after notice, or absenting himself.

CLXII. When a defaulter, on receiving notice, shall neglect to pay the amount due, or when a defaulter shall have absconded, or be otherwise not forthcoming, so that the notice cannot be served upon him, the distraining officer shall transmit an inventory of the property distrained to the Collector or Commissioners.

On tender of arrear and expenses prior to the day of sale, distress to be withdrawn.

CLXIII. If a defaulter, whose property has been distrained, shall before the day of sale tender payment of the arrear demanded, together with payment of the necessary expenses attending the distress, the distraining officer shall receive the amount of the arrear and expenses, and shall forthwith release the property.

Distress to be proportionate to the arrear.

CLXIV. The distress levied shall not be excessive, and the value of the property distrained shall be as nearly as possible proportionate to the amount of the arrear.

CLXV. The

CLXV. The distress shall be made after sunrise and before sunset, and not at any other time. Time for distress.

CLXVI. The distraining officer shall have power to force open any stable, cow-house, golah, granary, godown, out-house, or other building, as also to enter any dwelling-house, the outer door of which may be open (excepting the apartments in such dwelling-house appropriated for the zenanah, or residence of women, which by the usage of the country, are considered private), and to break open the door of any room in such dwelling-house for the purpose of attaching property belonging to a defaulter and lodged therein. What places distrainer may force open.

CLXVII. Where a distraining officer shall have reason to suppose that the property of a defaulter is lodged within a dwelling-house, the outer door of which may be shut, or within any apartments appropriated to women, which by the usage of the country are considered private, such officer shall represent the same to the head officer of the police within whose jurisdiction the house may be situated, and on such representation the head officer of the police shall send a police officer to the spot, in the presence of whom the distraining officer may force open the outer door of such dwelling-house. Powers of distrainer to force open doors in the presence of a police officer.

CLXVIII. The distraining officer may also in the presence of the police officer after due notice given for the removal of women within a zenanah, and after furnishing means for their removal in a suitable manner, if they be women of rank, who, according to the custom of the country, cannot appear in public, enter the zenanah apartments for the purpose of distraining the defaulter's property therein; but such property, if found, shall be immediately removed from such apartments, after which they shall be left free to the former occupants. Mode of distraining within zenanahs.

CLXIX. On the occurrence of an arrear, or at any subsequent period, the Collector or Commissioners shall have authority to attach at their discretion, the whole or such portion of a defaulter's immoveable property as they may deem sufficient to answer the amount in arrear; but the previous sanction of the chief revenue authority of the division shall, in all cases, be necessary for the sale of immoveable property. Real property may be attached, but previous sanction of the chief revenue authority of the division necessary for the sale of immoveable property.

CLXX. When a defaulter shall not have any moveable property of which distraint can be made, or when, after the moveable property of such defaulter shall have been distrained and sold, the arrear due, with all expenses of the distress and sale is not liquidated by the proceeds of such sale, the Collector or Commissioners may, with such sanction as aforesaid, proceed to sell the immoveable property of the defaulter. When collector may sell the immoveable property in addition to the moveable property of the defaulter.

CLXXI. The person or officer employed by the Collector or Commissioners to sell moveable property distrained, or immoveable property attached under this Act, shall cause to be affixed to the outer door of the defaulter's house a list of the property to be sold, with a notice specifying the place where, and the day and hour at which the property will be sold, and shall cause proclamation of the intended sale to be made in the manner usual in the district in such place or places as the Collector or Commissioners may consider necessary to give due publicity to the sale. Proclamation to be made of the time of sale and of the property to be sold.

CLXXII. No sale of immoveable property shall take place until after the expiration of a period of 15 days from the date on which the notice may be so affixed. No sale of such property to take place till after 15 days.

CLXXIII. At the appointed time, the property, moveable or immoveable, shall be put up for sale under the order of the Collector or Commissioners in one or more lots, as the Collector or Commissioners or the officer employed by them in that behalf shall direct, and shall be sold to the highest bidder. Sale how to be conducted.

CLXXIV. The property shall be paid for in ready money at the time of sale or as soon after as the officer holding the sale shall appoint, and the purchaser shall not be permitted to carry away any part of the property until he has paid for the same. When the purchaser shall make default in the payment of the purchase-money the property shall be re-sold, and the defaulting purchaser shall make good to the distraining officer any loss arising on such re-sale as well as the expenses attending the same. Property to be paid for before removal. Re-sale.

Payment of excess of sale proceeds to defaulter.

CLXXV. When the property shall be sold for more than the amount of the arrear, the excess, after deducting expenses of process, shall be paid to the defaulter.

If no distress can be found on land or house chargeable to duties at time of payment.

CLXXVI. In case any land or house chargeable to duties under this Act shall be unoccupied, and no distress can be found on the same at the time such duty shall be payable, it shall be lawful for the Collector or Commissioners, or for any other officer duly authorized in that behalf, at any time after to enter the said land or house when there shall be any distress thereupon to be found, and the said distress to seize and sell under the like powers as he might have distrained on the same land or house at the time the duties became due if in the occupation of the same person.

Arrears to be levied by distress in the district where the party resides.

CLXXVII. If any person assessed to the duties charged under this Act shall remove out of the district in which he shall have been assessed, without first paying or discharging all the duties charged upon him which shall be due, and without leaving in such district sufficient property whence the whole of the said duties may be raised and levied; or if any person shall reside in any other district than that in which the assessment or charge shall be made on him in pursuance of this Act, and the same shall be in arrear and unsatisfied in the whole or in part, it shall be lawful for the Collector or Commissioners to certify to the Collector or Commissioners of the district within which such person shall reside, the amount of the assessment or charge made upon such person, and remaining in arrear, and unpaid as aforesaid.

Mode of levying.

CLXXVIII Such last-mentioned Collector or Commissioners shall thereupon cause the whole of the duties so remaining in arrear and unpaid as aforesaid to be levied, together with the costs and charges attending, in the same manner as if the said person had been assessed in the district of the said last-mentioned Collector or Commissioners.

Fees upon distraints according to a scale to be prescribed by local government.

CLXXIX. The fees payable upon distraints or attachments under this Act shall be according to a scale which shall be prescribed by the local government.

Instead of proceeding by distress, Collector or Commissioners may issue warrant.

CLXXX. Instead of proceeding by distress and sale, or by attachment and sale, or in case of failure to realise thereby the whole or any part of the duties assessed and payable under this Act, the Collector or Commissioners may, if they think fit, issue a warrant for the arrest of such defaulter. Upon such warrant the officer charged with the execution thereof shall bring the defaulter with all convenient speed before such Collector or Commissioners. If the defaulter shall not then deposit in the hands of the Collector or Commissioners the full amount of the arrears of duties under this Act due and payable at the time of issuing such warrant, or make such arrangement for the payment of the same as shall be satisfactory to the Collector or Commissioners, or satisfy the Collector or Commissioners that he has no present means of paying the arrears, and that he has a reasonable excuse for not having paid, such Collector or Commissioners may send him to the civil jail, there to remain for such time as shall be directed by a warrant addressed to the keeper of the jail, unless he shall in the meantime pay the full amount of the said arrears. Provided that the time for which a debtor may be confined in jail under such warrant shall not exceed three calendar months when the amount of such arrears shall not exceed 50 rupees, or six calendar months when such amount does not exceed 500 rupees, or two years in any other case. Provided also that such imprisonment shall not extinguish the liability to pay such arrears, but all property then belonging to the defaulter or afterwards acquired shall be liable to be distrained or attached under the provisions of this Act, in satisfaction of such arrears, or of so much thereof as shall remain unpaid as if no imprisonment had been ordered.

Procedure in Presidency towns as to claims to moveable property distrained.

CLXXXI. If any claim shall be made in any Presidency town to or in respect of any moveable property distrained under this Act, or in respect of the proceeds thereof, by any person not being the party chargeable with the duties in respect of which such distress or attachment is made, such claim shall be certified by the Commissioners of such Presidency town to the Small Cause Court, and thereupon such proceedings shall be taken for deciding the same as if the property had been taken in execution under process of such Court, and such property had then been claimed by some person not being the party against whom the process issued.

CLXXXII. If

Procedure in Straits Settlement.

CLXXXII. If in any station of the Straits Settlement a like claim shall be made in respect of any such moveable property distrained as aforesaid, such claim shall be certified by the Commissioners of such station to the Court of Judicature thereof, and such claim shall thereupon be heard and determined in a summary way by such Court or by any division of such Court at their General and Quarter Sessions or otherwise.

Procedure in other places.

CLXXXIII. If in any district or place other than a Presidency town or a station in the Straits settlement such claim as aforesaid shall be made to such moveable property distrained as aforesaid, such claim shall be heard and determined in a summary way by the Collector.

Procedure as to claim to immoveable property.

CLXXXIV. If any claim shall be made to or in respect of any immoveable property attached under the provisions of this Act, the claimant shall deposit in the hands of the Collector or Commissioners the amount of the duties in respect of which the attachment was issued, or give security to the Collector or Commissioners for the payment of the same in the event of his not establishing his right in a civil suit. The sale shall be stayed pending such suit. Such suit shall be commenced within one year from the date of the attachment, and unless it be brought within such period the suit shall not be entertained. In the event of the claimant failing to establish his claim, if any deposit shall have been made, it shall be forfeited in satisfaction of the duties, and if security shall have been given, the amount shall be levied in the manner provided for arrears of duties under this Act.

Government claim shall have priority ove all private claims.

CLXXXV. The claim of the Government for all sums payable for the said duties shall have priority over all private claims, arising after the said duties accrued due, upon any immoveable property attached, or upon any moveable property distrained upon under this Act. Provided that if the property attached be itself the subject of the assessment in respect of which the attachment shall have issued, the claim of the Government for the arrears due on the said assessment shall have priority over all private claims.

Goods of defaulters ar not to be removed under any execution o assignment, until all duties are paid.

CLXXXVI. No goods or chattels shall be liable to be taken by virtue of any execution or other process, warrant, or authority, or by virtue of any assignment, or on any pretence whatever, unless the person at whose suit the execution or seizure shall be sued out or made, or to whom such assignment shall be made, shall, before the sale or removal of such goods and chattels, pay or cause to be paid to the proper officer all arrears of the said duties which shall be due by the judgment-debtor or assignors at the time of seizing such goods or chattels, or which shall be payable for the year in which such seizure shall be made, provided that the said duties shall not be claimed under this section for more than one year.

Parents and guardians liable for infants, and representative for person dying.

CLXXXVII. When any person chargeable with the duties hereby made payable as aforesaid, shall be a minor, or when any person so chargeable shall die, in every such case the parent or guardian of such infant, upon default of payment by him, or the representative of the person so dying, shall be liable to the amount of the assets received, for the payments which the said infant ought to have made, or the person so dying was chargeable with; and if such parent or guardian, or such representative, shall neglect or refuse to pay as aforesaid, it shall be lawful to proceed against them in like manner as against any other person making default of payment of the said duties; and the parent or guardian making payments as aforesaid shall be allowed every sum paid for such infant in his accounts, and all representatives shall be allowed to deduct all such payments out of the assets of the person so dying.

Priority of Government claims.

CLXXXVIII. The claim of the Government for all sums payable for the said duties shall have priority over all private claims in administering the assets of any deceased person by his representative, or of any bankrupt or insolvent by his assignee, provided that the said duties shall not be claimed under this section for more than one year.

Where the Act shall not come into operation before the time for payment of any instalments shall fall due, Commissioners to adjust times of payment.

CLXXXIX. If this Act shall not come into operation in any district previous to the time appointed for the payment of the first, or any subsequent instalment of the said duties, or within the year of assessment, it shall be lawful for the Collector or Commissioners executing this Act, who shall have made or allowed any

any assessment after the period appointed for any such payment (which they are hereby declared to be competent to do), from time to time, when the same shall be necessary, to settle and adjust at what time any instalment of which the time for payment shall then have elapsed, shall be paid, in such manner as to them shall appear just and reasonable.

## PART XVIII

### *Application of the Duties.*

All the duties to be paid in the first instance into the Government Treasury to an account to be headed Income Tax Account.

CXC. All monies arising from the duties hereby imposed shall be paid into such of the treasuries of Her Majesty's Government in India as the local Government shall from time to time direct, to an account to be headed Income Tax Account.

A separate account to be kept at the treasury of the one per cent. duty.

CXCI. A separate account shall be kept at the said treasuries of all sums paid in on account of the said one per cent. duty.

A separarate account to be kept of the one per cent. duty paid in Presidency towns and Straits Settlement, &c.

CXCII. A separate account shall also be kept of such sums paid in on account of the said one per cent. duty, as shall have been assessed upon persons residing in, or carrying on business in or upon any house or land in any Presidency town or any station in the Straits Settlement, or in any district.

Special appropriation of the one per cent. duty.

CXCIII. A separate account shall be kept of the duty paid in respect to the said one per cent. duty which shall accrue from the dividends or interest paid upon the Government debt and from the salaries of public officers, and from the profits of any railway or other public Company whose profits shall be derived from different parts of India, or of which any part of the profits is derived from a place other than that at which its head office is situate. The amount comprised in such account of the one per cent. duty shall be appropriated to the different Governments in India, to be applied according to their discretion, for the execution of roads, canals, or other reproductive public works which have been duly sanctioned. Such appropriation shall be made to each local Government in the proportion in which each Presidency or Lieutenant Governorship or province under a Chief Commissioner, shall contribute to the whole amount of the duty raised under this Act.

Appropriation of residue of the one per cent. duty.

CXCIV. The whole of the residue of the sums derived from the said one per cent. duty shall be appropriated to each Presidency, Lieutenant Governorship, and province, to the extent contributed by such Presidency, Lieutenant Governorship, and province, and shall be expended by the local Government and Chief Commissioners thereof in roads, canals, or other reproductive public works duly sanctioned as aforesaid, in the various districts under them, as nearly as may be in proportion to the respective contributions of such districts thereto.

## PART XIX.

### *Penalties.*

Penalty on collecting officers for misconduct in office.

CXCV. If any officer employed to receive or collect any duties under this Act:—1stly, shall fraudulently collect or attempt to collect any money on account of duties under this Act from any person not charged or chargeable therewith; or

2dly. Shall fraudulently receive or collect, or attempt to receive or collect, from any person more money than is actually charged against such person upon his assessment; or

3dly. Shall receive or collect any money whatsoever under colour of this Act, and not pay over and account for the whole of such money; or

4thly. If any such officer employed or authorised to serve any notice, or to make any distress, attachment, or sale under this Act, shall extort or obtain or attempt to extort or obtain, any sum of money or valuable thing other than such money as he shall have been authorised to receive or collect under this Act, from any person whatever, under colour of his employment or authority, or as a bribe for

for forbearing to exercise any employment or authority under this Act, such officer shall be deemed guilty of a misdemeanor, and shall be liable to imprisonment with or without hard labour for a period not exceeding six months, and shall, for every such offence, forfeit a sum not exceeding 1,000 rupees, and in default, and until such payment be made, shall be liable to further imprisonment with or without hard labour for a period not exceeding six months.

Penalty on persons pretending to be employed to serve notices or collect monies.

CXCVI. If any person, not being employed or authorised to serve any notice required to be given under this Act, or to receive or collect any money under this Act, shall falsely pretend that he is employed or authorised to serve any notice, or to receive or collect any money under this Act; and shall, by such false pretence, obtain or attempt to obtain any money or valuable thing whatsoever from any person whatsoever, the person so offending shall be deemed guilty of a misdemeanor, and shall be liable to the punishment and penalties in the last preceding section mentioned.

Punishment for unlawful entry.

CXCVII. Any person employed or pretending to be employed to make any distress under this Act, who shall knowingly enter the apartments of any Hindoo or Mahomedan woman, which, by the usage of the country, are deemed private, or shall force open the outer door of a dwelling-house contrary to the provisions of the 17th Part of this Act, shall be liable to be imprisoned with or without hard labour for any period not exceeding three months.

Penalty for forcibly or clandestinely taking away distrained property.

CXCVIII. If any person shall take away any moveable property duly distrained under this Act, knowing it to be distrained while subject to such distress, such person shall, on conviction, be liable to be imprisoned for a period not exceeding three months, or until he sooner restores the property, or makes good the value of it to the distraining officer, and shall also be liable to a fine not exceeding the value of such property.

Penalty for forgery.

CXCIX. If any person shall forge, counterfeit, or alter, or cause or procure to be forged, counterfeited, or altered, or shall knowingly or wilfully aid or assist in forging, counterfeiting, or altering any certificate of the Collector or the Commissioners or of any ex-officio or Special Assessor, or of any Deputy Collector acting in the execution of this Act, or any certificate or any acknowledgment, or any receipt which any officer is, by this Act, authorised to give on the receipt of any money payable under this Act, or shall utter any such forged, counterfeited, or altered certificate or acknowledgment, or receipt as aforesaid, with intent to defraud Her Majesty, or the Secretary of State in Council, or the Government, or any person whomsoever, every person so offending and being lawfully convicted thereof, shall be adjudged guilty of felony, and shall be liable, if a European or American, to be sentenced to penal servitude for any period not exceeding 10 years, or to imprisonment with or without hard labour for any term not exceeding two years, and, if not a European or American, to be sentenced to transportation for any period not exceeding 14 years, or to imprisonment with or without hard labour for any term not exceeding seven years.

Penalty for assaulting collector, &c.

CC. Every person who, with the intention of inducing any Collector, or any other officer employed to carry out the provisions of this Act, to refrain from exercising any of the lawful powers vested in such Collector or other officer under the authority of this Act, or with the intention of inducing any person liable to pay any duties under this Act, to refrain from making any return or declaration, or doing any act, or making any payment required by this Act, shall assault, or make a show of assaulting, or shall wrongfully restrain or attempt wrongfully to restrain, or shall overawe by means of an unlawful assembly, or attempt so to overawe any such Collector or other officer, or any such other person as aforesaid, and all persons who shall combine by the closing of shops, or otherwise to induce, or who shall do any act with intent to induce any other person or persons to break the public peace or otherwise to obstruct the operation of this Act, shall be liable to a sentence of imprisonment with or without hard labour for a period not exceeding 12 months, or to a fine not exceeding 500 rupees, or to both, such fine being commutable, if not paid, to a further period of imprisonment not exceeding 12 months.

Penalty for intimidating with the intention of preventing per-

CCI. If any person shall, by violence, threats, or otherwise, intimidate or attempt to intimidate any other person liable to pay any duties under this Act,

sons from making returns, declarations, or payments, &c.

with the intention of preventing such person from making any return or declaration, or doing any act, or making any payment required by this Act, he shall be liable to a sentence of imprisonment with or without hard labour for a period not exceeding six months, or to a fine not exceeding 200 rupees, or to both, such fine being commutable, if not paid, to a further period of imprisonment not exceeding six months.

False deposition.

CCII. If any person, being legally bound by an oath or affirmation to state the truth to any public servant, or to any other person authorised to administer an oath or affirmation in any matter relating to this Act, states to such public servant or other person as aforesaid, touching that subject, as true, that which he knows to be false, or does not believe to be true, he shall be punished with imprisonment with or without hard labour for a term which may extend to three years, and shall also be liable to a fine not exceeding 5,000 rupees.

Charge to be preferred where perjury committed.

CCIII. Any charge to be preferred under the last preceding Section for any of the offences therein mentioned, in regard to any affidavit, deposition, or affirmation, shall and may be tried and determined in the place where such affidavit, deposition, or affirmation shall be exhibited to the Collector or Commissioners in pursuance of this Act; but if such offence shall have been committed by any European British subject, the charge shall be tried and determined by one of Her Majesty's Supreme Courts of Judicature.

Penalty for making false returns of profits or of the value of lands.

CCIV. If any person shall knowingly and wilfully make or deliver any false or fraudulent account, statement, or declaration in any return which he is required to make under the provisions of this Act, such person shall for every such offence, if not otherwise provided for in this Act, be liable to forfeit treble the amount of duties to which he is justly chargeable, in addition to a further sum not exceeding 500 rupees.

Penalty for accessories before the fact.

CCV. Every person who shall knowingly and wilfully aid, abet, or assist, or incite or induce any other person to make or deliver any such false or fraudulent account, statement, or declaration as aforesaid, shall, for every such offence, forfeit the sum of 500 rupees.

False claim to abatement under Schedule 1.

CCVI. If any person shall knowingly make any false claim for any abatement under the first Schedule of this Act, or shall be guilty of any fraud or misrepresentation in making such claim, or in obtaining or endeavouring to obtain any such abatement, or knowingly shall untruly declare the amount or value of any loss under the rules relating to Schedule 1, or the amount or value of any abatement made or agreed to be made in the rent of the land or house in his occupation on account of such loss, with intent fraudulently to obtain any such abatement, he shall forfeit treble the amount of duties justly chargeable on him in respect of the said land or house, in addition to a further sum not exceeding 500 rupees; and if the occupier of any such land or house, or any other person whatever, shall aid, abet, or assist any person charged to the said duties in making such false or fraudulent claim, or shall fraudulently or untruly declare the amount or value of any abatement made or agreed to be made in the rent of the said land or house, or the amount of such loss, with intent fraudulently to obtain for the person so charged any abatement as aforesaid every such person shall forfeit a sum not exceeding 500 rupees.

False claim to abatement or exemption.

CCVII. If any person shall knowingly make any false claim to any abatement under any schedule of this Act, or to any exemption or deduction under the 13th or 14th Parts of this Act, or shall knowingly be guilty of any fraud or contrivance in making any claim under any of the said Schedules, or under the said 13th or 14th Parts of this Act, or in obtaining any abatement, or any exemption or deduction, or any certificate as aforesaid, under any of the said Schedules, or the said 13th or 14th Part, or shall fraudulently conceal or untruly declare any income or amount of income, or any sum which he may have charged, or have been entitled, under the authority of this Act, to charge against any other person, or which he may have deducted or retained, or have been or be entitled as aforesaid, to deduct or retain for any payment to which such person claiming exemption as aforesaid may be liable; or if any such person shall fraudulently make a second claim for the same cause—every such person so offending shall forfeit a sum not exceeding 500 rupees, and treble the duties chargeable in respect of all the sources of his income, as if such claim had not been made or allowed; and

if

if any person shall knowingly and wilfully aid, abet, or assist any such person in committing any such fraud as aforesaid, the person so aiding, abetting, or assisting, shall forfeit a sum not exceeding 500 rupees.

CCVIII. Any person who shall be guilty of any offence mentioned in Section LXXV. of this Act, in regard to the composition therein mentioned, shall forfeit a sum not exceding 500 rupees and treble the duties justly chargeable in respect of all the sources of his income. **Penalty under Section LXXV, relating to composition.**

CCIX. If any person, being duly summoned to appear before the Collector or Commissioners as aforesaid, for any of the purposes mentioned in this Act, shall refuse or neglect to appear before the Collector or Commissioners at the time and place appointed for that purpose, or if any such person, being summoned, shall appear before the Collector or Commissioners, but shall refuse to be sworn or to subscribe such oath as aforesaid, or having taken and subscribed the same, shall refuse to answer any question touching the matters depending before the Collector or Commissioners, every person so offending shall forfeit a sum not exceeding 200 rupees for every such offence. **Refusal to appear before Commissioners.**

CCX. If any person who ought by this Act to deliver any list, return, or declaration, shall refuse or wilfully neglect so to do within the time limited in any notice given under this Act, or shall under any pretence wilfully delay the delivery thereof, every such person so offending shall forfeit any sum not exceeding 200 rupees, and shall be liable to be assessed in treble the amount with which he is justly chargeable. **Penalty for refusal or neglect to deliver list, return, or declaration.**

CCXI. If any person required by the Collector or Commissioners under this Act, to make out, verify, or deliver any return required by this Act, or to appear before the Collector or Commissioners, shall refuse or willfully neglect to make out, verify, or deliver such return, or to appear before the Colleetor or Commissioners, within the time limited by the Collector or Commissioners in pursuance of this Act, every such person so offending shall forfeit any sum not exceeding 200 rupees, and shall be liable to be assessed in treble the amount with which he is justly chargeable. **Penalty for refusal or neglect to deliver returns or to appear before Collector or Commissioners, when required to do so.**

CCXII. If any person, being legally bound by an oath or solemn affirmation of secrecy under this Act, shall wilfully disclose any matter which by such oath or affirmation he is bound to keep secret, he shall be liable to be imprisoned with or without hard labour for a period not exceeding three years, and shall also be liable to a fine not exceeding 5,000 rupees. **Penalty for violation of secrecy.**

CCAIII. No person who shall not have been served in the manner directed by Section XXXVIII. of this Act with the notice provided by that Section, shall be liable to the penalties before mentioned for not delivering a return or declaration of his profits or income. **No person not served with particular notice to be liable to penalties.**

CCXIV. If any person shall wilfully obstruct any Assessor or Collecting Officer, or any officer duly authorised in the execution of this Act in the due execution of his office or duty, such person shall, for every such offence, forfeit a sum not exceeding 500 rupees. **Penalty for obstruction to officers in due execution of duty.**

CCXV. If any person chargeable with any duties under this Act, shall, by fraudulently changing his place of residence or by fraudulently converting his property or any part thereof, or by fraudulently conveying or assigning, or pretending to convey or assign the same, or by fraudulently altering any security with relation to such property, or by fraudulently rendering the same or any part thereof temporarily unproductive, in order that such person may not be charged for the same, or shall by any falsehood, wilful neglect, fraud, or contrivance whatsoever used or practised, avoid, or attempt to avoid being charged and assessed according to the true intent and meaning of this Act, every such person shall, on proof thereof before the Collector or Commissioners acting for the place wherein such person shall be chargeable, be charged and assessed in treble the amount of the charge which ought to have been made on such person; and if in any such case such person shall have been assessed in an amount less than the assessment which ought to have been made on him, he shall be assessed and charged in treble the amount of the difference between the sum with which such person shall have been charged, and the sum with which he ought to have been charged, to be added to such assessment, and shall also be liable to be imprisoned **Penalty for avoiding assessment by fraudulent removal or fraudulent disposition of property.**

with or without hard labour for a period not exceeding two years, and to a fine not exceeding one thousand rupees.

Penalty for removing from district after assessment without leaving sufficient property to satisfy duties.

CCXVI. If any person, being assessed to the said duties, shall remove out of the district where he shall have been assessed to the said duties, without first paying or discharging all the said duties charged upon him which shall then be due and payable, and without leaving in such district sufficient property whereon the said duties in arrear may be raised and levied, and the same shall remain in arrear and unpaid for the space of 20 days after the time appointed by this Act for payment thereof, every such person shall forfeit (over and above the said duties so left unpaid as aforesaid) a sum not exceeding 200 rupees.

Saving of punishment otherwise provided by law.

CCXVII. Nothing in this Act contained shall prevent any person being punished for any offence in any manner otherwise provided by law; provided that if any proceedings be taken under this Act for the punishment of any person for an offence, a conviction or acquittal shall be a bar to any other proceedings for the same offence.

## PART XX.

### *Mode of enforcing Penalties.*

Cognizance of offences.

CCXVIII. Except as otherwise provided, all offences under this Act may be tried by any magistrate, joint magistrate, or person lawfully exercising the powers of a magistrate, unless the period of imprisonment to which the offender may be liable, exceed that which the magistrate, joint magistrate, or other officer as aforesaid is competent to award under the laws for the time being in force in the Presidency or place in which such magistrate, joint magistrate, or other officer as aforesaid is employed. When the period of imprisonment provided by this Act exceeds the period that may be awarded by such magistrate, joint magistrate, or other officer as aforesaid, the offender shall be committed for trial before the Sessions Judge, if the evidence given before such magistrate, joint magistrate, or other officer as aforesaid shall appear to such magistrate, joint magistrate, or other officer sufficient for the conviction of the accused.

District in which certain offences shall be tried.

CCXIX. Except as aforesaid, all offences declared to be punishable under this Act with fine or forfeiture, or fine and imprisonment, may be tried in the district or place in which the offence was committed, or in which the person charged with the same is apprehended.

Magistrate may refer offences punishable with fine to his assistants for trial.

CCXX. A magistrate may refer for trial and decision any charge of an offence hereby made punishable by fine only, to any of his assistants, and in such case every such assistant may exercise all the powers vested in a magistrate by any law for the time being in force, subject to all the rules applicable to criminal cases deputed to such assistant acting judicially.

Local government may authorize assistants to exercise such powers without reference by magistrate.

CCXXI. The local Government may give general authority to any such assistant to exercise, without reference by a magistrate, any of the powers which such assistant is hereby rendered competent to exercise upon reference by a magistrate, subject to appeal to the magistrate from any conviction by such assistant within one month from the date of conviction.

Magistrate may call for any case pending before such assistant.

CCXXII. A magistrate may at any time call from any of his assistants, any case pending before such assistants.

Jurisdiction over British subjects committing certain offences beyond the limits of Supreme Court.

CCXXIII. If any offence which by this Act is declared to be punishable with fine and imprisonment, or imprisonment only, shall be committed by a European British subject beyond the local limits of the jurisdiction of Her Majesty's Supreme Courts of Judicature, the offender shall be liable, upon conviction before one of the said Supreme Courts of Judicature, to the punishment to which by this Act the offender is declared to be liable upon conviction.

Summary jurisdiction in respect of certain offences committed within the limits of Supreme Court.

CCXXIV. If any offence which by this Act is declared to be punishable with fine or forfeiture, or with fine and imprisonment not exceeding six months, shall be committed by any person within the local limits of the jurisdiction of any Court of Judicature established by Royal Charter, such offence shall be punishable upon summary conviction by any magistrate of police of the Presidency town or station in which such Court is held.

CCXXV. No

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